

BUDGET ADDRESS

Delivered by

The Hon. Mitchell F. Hepburn
Prime Minister and Treasurer of Ontario

in the

LEGISLATIVE ASSEMBLY OF ONTARIO

Friday, March 14th, 1941

On Moving the House into Committee of Supply

Also Statements of

ASSETS AND LIABILITIES

REVENUE AND EXPENDITURE

COMPARATIVE AND STATISTICAL

INFORMATION



ONTARIO

TORONTO

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THE HON. MITCHELL F. HEPBURN

PRIME MINISTER AND TREASURER OF ONTARIO

IN THE

LEGISLATIVE ASSEMBLY OF ONTARIO

FRIDAY, MARCH 14TH, 1941

MR. SPEAKER:

I beg to move, seconded by Mr. Nixon, of Brant, that you now leave the Chair and that the House resolve itself into Committee of Supply.

Canada is now entering the second year of war and while, in so far as outward signs are concerned, we still have a peace-time economy, the effect of the war is being manifested in many ways. We are told by those charged with the direction of our war effort that our peak of physical and industrial effort will be reached during the coming calendar year. Canada has enjoyed the position of the fifth trading nation of the world and, should her vast industrial wealth and manpower be utilized to the maximum, we would then be employing all our idle men, our full supply of electrical power, the vast output of our natural resources, and our financial system would be taxed to its capacity, and probably beyond. The obligation of this great central Province is to adjust its economy in order to bring it in line with a war effort which we hope will render the greatest possible help to Great Britain, now facing her greatest effort to survive.

Last year when the Budget Address was delivered, reference was made to the gallant fight Finland was then making for her very existence. The changes that have been made in the map of Europe during the interval have been beyond the comprehension of every member of this Assembly. Let us be under no illusion in this respect; every occupied country of Europe under German domination becomes another workshop for the Reich.

The continuous losses of British ships and cargoes are serious in this respect, that the remaining shipyards of the democracies have not been organized to the point where replacements are being taken care of. This drain upon British requirements is serious; yes, in fact, vital, and this Canada of ours must rise to the occasion and extend every effort to not only replace the losses, but give to Great Britain the tools with which to finish the job.

In this, the seventh Budget that I have delivered in this House, I desire to avail myself of the opportunity of reading into this official document a statement that I have made in public and that is that, in my opinion, so far at least, it is most unfortunate that the Canadian people have not taken the war seriously

and fail to realize that Japan, Italy and Germany have as their objective not European and Asiatic, but World domination. It is therefore understandable if, throughout this document, one finds constant references to the war and the limited part this jurisdiction can take in the war effort. It has been said frequently that in the Canadian war effort, finance seems to occupy the driver's seat. Therefore, as a part of our war effort, and as a measure of real co-operation with the Dominion Government, I pledged that this Government would keep within its Budget. In fact, I shall quote the very words I used, as they appear in pages 43 and 44 of last year's Budget presentation:

"It should be a matter of great satisfaction to everyone, that I am going to present to you a Budget for the ensuing fiscal year which will ensure not only a surplus of ordinary revenues over ordinary expenditures, but also a reduction in the gross debt, and this, notwithstanding the serious and difficult times that beset us and the heavy sacrifices that our citizens are being called upon to bear—both financially and mentally—because of war conditions."

Mr. Speaker, I am happy to report to you, Sir, and to this House, that we have kept that pledge in its entirety. (Applause.) In the effort of the Treasury to maintain a sound financial position, the question of foreign exchange continues to be a major source of worry. I repeat this criticism of the financial policies of my predecessors as a solemn warning to those who will be my successors in office, who, I hope, will follow the practice of this Government and issue bonds repayable in Canadian funds only. (Applause.)

FOREIGN EXCHANGE

Due to the operations of the Foreign Exchange Control Board, the rate of premium on New York funds has remained constant throughout the year at 11 per centum. Approximately \$16,000,000 were required to meet maturing interest and principal and the cost to the Province of Ontario was \$1,847,055.66; of this sum Hydro consumers' share was \$717,694.42. The expenditure of this \$1,847,055.66 represents a dead loss to the taxpayers of Ontario, and, with this year's expenditure for Foreign Exchange, the Province of Ontario has since 1930 paid over ten and one-half million dollars for foreign dollars and pounds. This staggering sum of money is one of the direct results of the bad financing of former administrations. (Applause.)

When Members of the Opposition preach and scold about expenditures, they should remember that charged up against their record is the tremendous loss of ten and one-half million dollars to the Ontario taxpayers, and this unsatisfactory situation will continue until 1971, because some of the three-way bonds do not mature until that year. Whoever were the architects of this weird scheme of financing, that is, of issuing bonds repayable at the option of the holder in Canadian dollars, American dollars or Sterling, did Canada an ill turn in its war effort, for, let no one overlook the fact that one of the great problems of the Dominion Department of Finance is to find sufficient American dollars with which to purchase munitions of war from the United States.

AGRICULTURE'S CONTRIBUTION

Bacon, cheese and manufactured milk are among Britain's most urgent requirements. Of Canada's contribution, Ontario must supply 40 per cent of the bacon, 70 per cent of the cheese, and nearly all of the manufactured milk.

Last year Canada supplied to Great Britain 291 million pounds of bacon. This year the agreement with the British Ministry of Foods calls for 425 million pounds but at a contract price considerably lower than that of last year. Ontario is anxious to do her full part in filling this contract. But with good feed supplies limited, labour scarce and production costs gradually mounting, Ontario farmers were becoming discouraged. Until a month or six weeks ago reports indicated a very considerable liquidation of brood sows. The Government was naturally very much concerned with regard to the situation and was not unmindful of Ontario's contribution to the preferential position to which Canadian bacon had attained in the British market.

It was obvious that something had to be done to save the bacon industry in Ontario, to encourage hog producers, and to do our share in the filling of the British quota. For these reasons the Government has decided to pay a premium on the two top grades of hogs produced and finished within the Province. It is proposed to pay One Dollar per hog for "A" grade and Fifty Cents per hog for "B1" grade. An amount of \$1,400,000 has been provided for this purpose. (Applause.)

Even a more concerted effort must be made if we are to meet the British cheese requirements. Last year Canada exported to Britain 103 million pounds. The present contract calls for 112 million pounds. Of this Ontario must supply about 80 million pounds and at the same time produce a sufficient amount to maintain our domestic consumption. It is therefore imperative that production must be increased from 10 to 15%. But so far this year Ontario production is down very materially—50%, as a matter of fact, for January and February combined. This reduction may be attributed to many factors: liquidation of milch cows; shortage of good feed; scarcity of labour, and diversion of cheese factory milk to condensories.

The Government has been much concerned about these signs of lower production in the face of the British challenge for increased supplies. The Government recognizes its responsibility and patriotic duty in this matter and has for several weeks past appreciated the fact that dairy farmers must be encouraged to increase milk production for cheese manufacture. And so it has been decided to pay a bonus of two cents per pound on all cheddar cheese produced in Ontario. This bonus will be made retroactive to February 1st last. (Applause.)

The entire cost of the cheese bonus, it is calculated, will amount to Two Million Dollars for the year.

Now, Mr. Speaker, I would like to digress for just a moment to make special reference to the political criticisms that have been offered with regard to the action of the Government in this respect. I point out to you, Sir, that the British soldier cannot live on a ration of mashed potatoes and turnips. It is necessary for him to have highly concentrated foods. When we saw the liquidation of milch cows and the falling off in this vital production of cheese, it was only natural that we should step into the breach and take action to correct a situation which showed a 50% falling off in cheese production in this Banner Province, the main cheese producer of the Dominion, instead of the 15% increase we need. So our action was taken and there was nothing political in it. It was no political gesture

so far as this Government is concerned. It was taken solely through a sincere desire to step up the production of that vital war product. (Applause.)

It is worthy of attention, too, that there is a very keen demand for condensed milks. One million cases of evaporated milks are already required for export, and a still greater quantity may be wanted as the year advances. It is also likely that owing to increased purchasing power, more milk will be consumed in the urban centres. Several factors suggest the necessity for a general increase in the milk output, and to this end the Ontario Department of Agriculture and the Ontario Cheese Producers' Association have already joined hands to conduct what is perhaps the greatest milk production campaign ever undertaken in the Province.

It is recognized that if we are to have increased milk production our farmers must have adequate supplies of good feed. A bad harvesting season in central and western Ontario and a dry season in the eastern part of the Province have obliged farmers to make more than their normal purchases of feed. In order to assist farmers to obtain western grains, the Dominion and Provincial Governments have entered into an agreement to pay one-half the regular freight on 3,200,000 bushels of feed grains, shipped from Fort William or Port Arthur to any point in Ontario. This policy is now in operation and about one half of the quota has already been taken up. (Applause.)

Profitable production of livestock depends not only on the feeding and care of herds and flocks but upon the health of the animals also. During the past few years considerable experimental and research work has been done by the Ontario Veterinary College relative to combatting Bang's Disease in cattle. The experiment has proven so successful that the Government has decided to extend this work, under clearly defined regulations, throughout the Province. This will require more help and more laboratory space, for both of which the Government is now arranging to provide. The development of this work will have to be gradual and this fact must be recognized by the cattle men of the Province.

Owing to scarcity of labour, it is likely that field crop acreage will be reduced this year. It is extremely important, therefore, that maximum production be procured on the acreage seeded. The Department of Agriculture is strongly advocating the sowing of the very best seed available. Through the 42 County Crop Improvement Associations, the 92 Seed Cleaning Plants, and other agricultural agencies every effort is being put forth to encourage the distribution of good seed. (Applause.)

DEPARTMENT OF EDUCATION

The Department of Education is asking for an increase in its estimates to provide, if possible, for the payment in full of the Legislative Grants to public, separate and vocational schools. For the past year the work of the larger vocational schools in urban centres has been greatly increased by the use of these schools for War Emergency Classes and for the training of men and boys to work in munition plants, etc., of soldiers, and of boys for farm work. While the cost of these classes has been largely met by the Dominion Government, their establishment and administration have been the work of officials of the Department of Education, at considerable cost to the Department.

The schools, both secondary and elementary, are still further co-operating with the Department of National Defence in the war effort by permitting and encouraging young people enrolled in the senior classes to leave school next Easter provided they can find employment in the production of food or other essential war materials. In such cases, credit for attendance and school courses is being given to those so employed.

The summer schools will, in the main, be discontinued this year in order to give teachers and students an opportunity of assisting in war work of various kinds.

It has therefore been decided to make available to the Department of Education for the coming fiscal year the sum of \$13,588,630, the largest grant ever given for education. (Applause.)

DEPARTMENT OF HEALTH

The efforts of the Government to conserve the health of the people take on added significance during time of war. With this in mind, this administration is pleased to report a further decline in the infant death rate. The maternal death rate at child birth, while it did not reach the phenomenal low rate of last year, is substantially below the average for the last twenty years. Control measures directed at the lessening of diphtheria have again brought about a forty per cent decrease in its incidence; while further substantial reductions have been made in the death rate from tuberculosis.

The Government's measures for tuberculosis control introduced by Amendments to the Sanatoria for Consumptives Act in 1938, have resulted in one of the most progressive programmes of prevention and treatment of this disease to be found anywhere in the world. There are now more facilities for the discovery and treatment of tuberculosis, more patients under treatment and more applications for admission to sanatoria than ever before in the history of the Province.

Since the introduction of this forward-looking legislation there has been a further reduction in the death rate from tuberculosis of over 18%. (Applause.)

The family physician, local boards of health, diagnostic clinics, sanatoria, and the Department all acting in concert under a well-defined and all-embracing provincial programme make the outlook for complete tuberculosis control in Ontario most encouraging.

I would like to reiterate what has been said here on more than one or two previous occasions in support of the measure passed by this parliament some two years ago, known as "The Pasteurization Act," which legislation has been extended to the point that 98 per cent of all the whole milk sold in this Province is now pasteurized. Last year we may have been somewhat hesitant about crediting this control measure with the substantial decline in such milk-borne diseases as tuberculosis, typhoid fever, undulant fever and intestinal infections among infants and young children. The substantial decline in deaths from these causes, both in 1939 and 1940, can now, however, be attributed only to the elimination of contaminated milk as a source of their spread. (Applause.)

As previously implied the war brings added responsibilities to the health department of any government. Industrial workers are required to work at high rates of speed for longer than average hours; individuals enter industry for the manufacture of war materials who have previously had little or no experience in this type of employment. The Government has been conscious of the possible health hazards as a result of this unavoidable situation and increased interest has been evidenced throughout the entire year in the field of industrial hygiene.

Your Government has continued to lend every possible support to the Department of National Defence in matters pertaining to the health of the active service forces stationed in this Province. The services of the technical staff of the Department of Health have been available at all times and our laboratories have examined for the air force and the army some 62,000 specimens and supplied without charge 48 litres of typhoid vaccine.

The achievements of Dr. Best, former associate of the late Sir Frederick Banting, in making dried blood sera readily available for the armed forces and bombed civilians overseas have resulted in further demands on the provincial laboratories. A serological examination of every contribution of blood made by a blood donor (it is anticipated that there will be fifty thousand of these in the Province of Ontario during the next year) must be made. This your Government has agreed to do.

The war has directed our interest to the provision of measures for the most effective possible control of social diseases. In view of the social and economic significance of this type of illness, the government has seen fit to extend its sphere of influence beyond the control of infectivity, to the establishment of treatment centres which will make possible the cure of those cases which do not normally respond to ordinary treatment. Provision has been made in strategic centres for artificial fever for the treatment of syphilis of the nervous system. The free distribution of anti-syphilitic drugs has been further extended. With the aid of the law enforcement officers of this Province, we are doing everything that is possible to control the spread of venereal disease among both the civilian and military populations of the Province.

The arrangement with the Federal authorities whereby all enlisted soldiers who were found within the first ninety days after enlistment to be suffering from either tuberculosis or mental illness would be admitted free for treatment to provincial institutions has resulted in approximately 20,000 hospital patient days treatment for those suffering from tuberculosis and some 2,000 patient days treatment for those found to be mentally ill.

DEPARTMENT OF HIGHWAYS

This year in considering the programme of highway development in Ontario we look, not backward in review of achievements of the past year, but forward towards a new era in which highways must of necessity perform a much greater function in the difficult times in which we are living.

Yesterday highways were simply a medium of transportation—a means of facilitating the free flow of peoples and goods between the various centres of the Province. To-day they must be viewed in a new light—as an indispensable cog

in our war effort, and in which sphere they have two distinct purposes and must be built to a standard that will achieve these purposes; first, to enable if the time ever comes, the speedy movement of a mechanized army in the defence of our country, and second, to provide a modern system of transportation of a standard acceptable to the army of American tourists who annually come north of the border to holiday in our summer playgrounds, and who bring with them the foreign exchange so necessary to the successful financing of our war effort. (Applause.)

This then, is the requirement of a highway system of the present moment. How far our present system is removed from the standard necessary for such requirements can be judged from the results of a survey conducted in the United States last year, which found that only a very small percentage of the roads in that country were of a type suitable for the transportation of the heavy mechanized equipment in use by the mechanized armies of to-day.

In the far north the bridging of the last gap of the 153-mile stretch between Hearst and Geraldton, already under way, and planned for completion this fall, will at last provide Canada with a highway within her borders from coast to coast. (Applause.) Some doubt has been expressed as to the need of this project at the present time, but a little study will prove it to be of the first magnitude as a link in the defence of the Country. Much has been said and written as to the necessity of a Canada united in body and in spirit. There need never be any doubt as to our being united in spirit, but united in body is another thing. Consider for a moment Northern Ontario and the thing that impresses is the great wilderness stretching from the upper Great Lakes to James Bay, a barrier dividing Canada into two distinct parts, a barrier pierced only by two thin lines of steel—the two transcontinental railway lines. With water transportation via the Great Lakes limited to only a little more than half the year, all movement of peoples and goods between the east and west depends upon these two lines of steel. Anyone who has travelled by train across this northland will immediately realize how seriously transcontinental traffic would be disrupted should any accident occur to these railway lines—in many places the destruction of a bridge would entail suspension of traffic for a period of months. The completion of the Geraldton-Hearst section is the only solution to this problem. Grant that similar injury or destruction might occur to the structures on the highway—it is a vastly simpler problem to provide temporary facilities for the passage of motor traffic than for the passage of heavy trains.

It is planned to complete "The Queen Elizabeth Way" from its present terminus at Niagara Falls to Fort Erie. This modern divided highway, traversing as it does an area in which is concentrated sixty per cent. of the industrial production of all Canada, serves a two-fold purpose—first of providing quick and easy access into the heart of the Province for the army of American tourists entering Canada along the Niagara border and second as a medium for speeding the distribution of the products of the industrial plants, a great many of them war industries.

Congestion resulting from the industrial development occurring between Toronto and Oshawa will be alleviated by the extension of the divided highway east of Toronto from West Hill to Oshawa.

In the northern part of the Province, in addition to the new construction between Hearst and Geraldton, the work of regrading and paving on many unfinished projects tapping the rich mining fields, commenced last year, will this coming year be completed.

In regard to bridges the coming year will witness the completion of one of the largest bridges in Ontario, the new Rainbow Bridge at Niagara Falls. To the east at Ivy Lea, the approaches to the Thousand Islands Bridge and also those at other international border points will be built to the high standard deemed necessary to attract foreign tourists. In addition, throughout the northern part of the Province there exists thousands of old wooden structures of a design totally inadequate for present day transportation needs and in a state of repair that calls for immediate attention that must be considered to some extent in the programme for the coming year. (Applause.)

When we come to consider the maintenance of our highways, we find that here the war has added a further burden. Greatly increased industrial production for war purposes has resulted in an increase in trucking, both in numbers and in tonnage, on our highway system with the resultant wear and tear on same. Roads built in years gone by to a standard adapted to transportation needs of that day are rapidly disintegrating under the pounding of the heavy transports of to-day. Nor is this condition confined to King's Highways, county and township roads are experiencing the same results. And so our maintenance programme calls for no decrease in expenditure. It is perhaps unnecessary to so state, but it would be a very shortsighted policy that would plan the construction of many miles of new highway and at the same time ease off on the maintenance of those already in existence.

And so in the coming year expenditure by the Department of Highways will be based on wartime requirements—to provide a network of highways of a design attractive to American tourists and rugged enough to speed the distribution of the products of our war industries. We will do this in conformity with our pledge to the Federal Government to do our bit in the defense of civilization and in the realization that, unlike most war enterprises, we are building, not a wasting asset to be dissipated on the battlefield, but a lasting enterprise necessary even in the ordinary course of events within the immediate future.

DEPARTMENT OF LABOUR

The Department of Labour has played an important part in the war effort of our Province. The Training Programme of the Department of Labour has been greatly extended since the last Session. At Galt alone, 1,548 persons have been or are being trained in the Aircraft Training School for enlistment in the Royal Canadian Air Force as aircraft mechanics and wireless operators. (Applause.)

The industrial courses have been mainly in sheet metal work, welding and machine shop practice, training young men for the production of war equipment. The requirements of food production have also received attention, and 958 young men have been placed with farmers who have undertaken to teach them farming.

The great industrial expansion during the past year, due largely to war contracts, has necessitated a great building programme, and the plans for all these factory buildings are required to be submitted for approval to the Factory Inspection Branch before construction is commenced. The value of such projects approved by this Branch during the first eleven months of the fiscal year 1940-41 was \$26,735,895, or approximately two and one-half times the value for the corresponding period of the previous year. (Applause.) This expansion has also added greatly to the duties of the inspection service of this Department, in maintaining safe working conditions for all those engaged in the manufacture of war materials.

The Conciliation, Mediation and Arbitration Service of the Department has been of great value in maintaining peace in industry, and in the speedy settlement of strikes. Through mediation and arbitration the Conciliation Officers have been successful in preventing numerous strikes in industries engaged in the production of war materials, and through the speedy settlement of differences, have avoided the establishment of costly Boards. The time-loss due to strikes in the calendar year 1940 was 30 per cent. less than in 1939; and the total time-loss for the three calendar years 1938-40 was 45 per cent. less than the loss for 1937. (Applause.)

Two new temporary offices of the Employment Service have been opened since the last Session, one at Parry Sound and one at Lindsay to take care of the labour supply in connection with the construction and operation of the explosive plant at Nobel and the arsenal at Lindsay, and 3,698 persons have been placed in work on these two projects. In addition, an official of the Service has been stationed at Port Robinson to handle the labour supply for the munition plant under construction there. During the first ten months of this fiscal year, 160,957 placements have been made by the Employment Offices. (Applause.)

DEPARTMENT OF LANDS AND FORESTS

During the present winter there are over one hundred more bush camps in operation than last season, this accounting for an increase of five thousand employees beyond the twenty-five thousand thus engaged in the winter of 1939-40. These increased activities result in an enlarged output. The quantity of log timber used largely for lumber, mining and structural purposes will probably be increased in bush scale by 15 per cent., the ties by nearly 10 per cent., whereas the pulpwood will undoubtedly show an increase of over 50 per cent. beyond that of last winter.

The anticipated increased demand for both lumber and pulp products resulting from an improved local market and from war readjustments has accounted for this and enlarged activities. Fortunately, the reductions made by the present Government, beginning with the season of 1934-35 and being regularly continued on the high tendered prices of log timber in years gone by have been a decided encouragement to the operators. Consequently since the reductions were made, operations have been conducted on limits that otherwise would have remained out of productivity because of an inability to operate them economically due to importation from outside sources. Furthermore, such reductions have added substantially to those obtaining gainful employment.

The Scandinavian exports of pulp and pulpwood having been cut off from the United Kingdom and United States have to be replaced in part by Ontario, whose newsprint production has, naturally, been favourably affected. While the producing companies are operating at about 70 per cent. of their rated capacity, the allocation of tonnage based upon the pro-rating arrangement has conduced to a more equitable distribution of labour. While certain apparent and real injustices still exist in the application of the pro-ration policy, adjustments are being progressively made and investigations carried on with a view to establishing the system on an eminently satisfactory basis.

DEPARTMENT OF MINES

The mining industry of Ontario has been of incalculable value to Canada since the beginning of hostilities. Its most important contribution has been in the production of gold, which enables our country to establish credits in the United States, and nickel, copper and platinum, which are used extensively in the fabrication of the instruments of war. Ontario produces a host of other minerals which are now playing a vital role in our battle of freedom.

This comprehensive industry produced in 1940 minerals of all descriptions valued at more than one quarter billion dollars—an all-time record—which, in the light of present indications will be surpassed during the present year. It might interest you to know that from 1891 to the present day our mines have yielded minerals valued at three billion five hundred million dollars. (Applause.)

Owing to war restrictions, I am not able to-day to give you detailed production figures, but I can say that in 1940 all branches of the industry were more active than during the previous year.

Although prospecting dropped to a comparatively low point during the year, several new gold discoveries were made within the Province. Wide interest was displayed by some groups in the potentialities of iron occurrences which are known to be numerous in Ontario.

Production of sintered ore by the Algoma Ore Properties, in Michipicoten, was more than double that of 1939. The New Helen mine, which supplies the raw ore for the sintering plant at Wawa, was brought into operation following the passing of the Iron Ore Bounty Act by this administration in 1937. The wisdom of such legislation is now confirmed by the fact that the production of domestic iron ore now enables Canada to save many hundreds of thousands of dollars in foreign exchange as the bulk of iron ore charged to Ontario furnaces is imported from the United States. (Applause.)

In further justification of the legislation to which I have referred and which, I believe, was passed unanimously, I might say that the Helen Mine, located in Ontario, is now considered to be the third greatest iron ore mine in North America.

A re-examination of the lignite coal deposit at Onakawana, north of Cochrane, which began in September, 1939, was continued throughout 1940. Some stripping and extensive drilling tests, using both the raw and steam-dried lignite, were carried out and in all cases exceeded expectations. Already more

than 7 million tons of this potential source of fuel have been blocked out by drilling, and it is my hope that in the near future it will be possible for certain sections of Northern Ontario to use Ontario mined coal to satisfy industrial and domestic fuel requirements.

In the course of the year under review, the Department of Mines co-operated fully with all branches of the industry and with the Federal Authorities, and gave special attention to the development of new industries within the scope of its jurisdiction.

DEPARTMENT OF MUNICIPAL AFFAIRS

The Department of Municipal Affairs has met with continued success in the supervision of the affairs of defaulting municipalities in the Province. Of the thirty-five municipalities that have defaulted, representing a total debt of \$105,000,000, twenty-nine of these have fully emerged from the defaulting class, twenty-six with permanent plans and three with temporary arrangements for refunding, representing in all \$102,739,000.

The Annual Report of Municipal Statistics for the year 1939, published by the Department last December, reflects continued improvement in the position of Ontario Municipalities. During 1939, Ontario taxpayers benefited by over \$2,000,000 through reduced municipal tax levies and results consistent with those for recent years have been shown in the collection of both current and arrears of taxes. The gross debenture debt was further reduced during 1939 by over 16 millions to an amount outstanding of \$388,200,000 at the end of the year. This is the lowest debenture debt to be reported since 1923, at the end of which it amounted to \$376,500,000. The gross debenture debt in Ontario reached its peak of \$504,800,000 in 1932, but since that time there has been an annual reduction in the debts of the municipalities averaging over 16½ million dollars. (Applause.)

The position of Ontario Housing Loans has also shown substantial improvement since this Government came into office. At March 31, 1935, there were seventy-five municipalities indebted to the Province on this account with a total amount outstanding of over \$3,800,000, of which approximately \$771,000 was in arrears. At the present time there remain only eight municipalities that have loans outstanding at a balance of slightly over one-half million dollars, of which \$283,000 is in arrears. The bulk of these loans is owing by three municipalities with which special arrangements will have to be made for payment of the indebtedness.

DEPARTMENT OF PROVINCIAL SECRETARY

Reformatories and Prisons Branch

Correctional Institutions

The war has caused many changes in the Reformatories and Industrial Farms.

In October, 1939, when the Ontario Hospital, St. Thomas, became an Air Training Centre, additional accommodation elsewhere had to be found for mental patients. Therefore, the Industrial Farm, Langstaff, became an Ontario Hospital. That institution is the property of the City of Toronto and when

prisoners were there it was jointly maintained by the City of Toronto and the Department of the Attorney-General.

This Government agreed to maintain in Provincial Institutions the prisoners who would normally have gone to Langstaff. The increased cost to the Provincial Secretary's Department of maintaining such prisoners is approximately \$148,000. It was also necessary to provide additional accommodation for prisoners elsewhere and the cost of doing so to this Department was \$20,500.

In July, 1940, the Ontario Reformatory, Mimico, and the Industrial Farm, Monteith, were loaned to the Federal Authorities for war purposes. Thus, including Langstaff, three Institutions were lost for reformatory purposes. The prisoners who would have been at these three Institutions have been concentrated in the Institutions at Guelph and Burwash, and the latter's annex, the Seagram road camps.

This has very seriously interfered with the classification of prisoners which had been gradually developed on the basis of experience through many years.

For fifteen months past there has been a small but fairly steady decrease in the total number of prisoners in this province but chiefly because of the closing of Langstaff there has been an increase in the portion maintained in Provincial Institutions. Last year the days stay of prisoners in Provincial Institutions increased 13 per cent. In the first nine months of this year the increase was 4 per cent over the same period last year.

Because of war conditions there has been a considerable increase in the number of juvenile delinquents sent to Training Schools. The increase last year was 10 per cent. The increase in the first nine months of this year compared with the same period last year is 3.7 per cent. It is estimated that the additional expenditures, because of these war conditions, amount to \$18,000.

DEPARTMENT OF PUBLIC WELFARE

The assimilation of many young men and women into industry and the armed forces, together with improved departmental administration, has somewhat reduced expenditures in the form of Old Age Pensions and Mothers' Allowances, as some of these people are now able to contribute in whole, or in part, to the support of their parents. The increase in the number of Old Age Pension recipients during the period of January, 1940, to January, 1941, was the smallest of any twelve month period since the inception of the Act. There has also been a marked reduction in the number of Mothers' Allowances beneficiaries during the past year.

The activities of the Children's Aid Branch in connection with the Adoption Act and the Unmarried Parents' Act, have increased considerably during the past year.

In co-operation with the Children's Aid Societies, six hundred and eleven British children were placed in Ontario homes as guests for the duration of the War. By reason of the willing assistance of many private groups and organizations, the cost of the programme was kept at a minimum. (Applause.)

Unemployment Direct Relief

For the year ending March 31st, 1941, the total cost of Direct Relief in Ontario will be \$9,600,000, of which Ontario's share, including administrative costs, will be \$4,315,000. It is estimated that for the next fiscal year, gross relief costs will amount to \$6,400,000, of which the Province will pay \$4,985,000.

This will represent an increased contribution from the Provincial Treasury of \$670,000 over the previous fiscal period, due to the action of this Government in assuming 75% of the cost of Direct Relief as the result of the withdrawal of the Federal Government from the field of Direct Relief. (Applause.)

DEPARTMENT OF PUBLIC WORKS

Appropriations have been provided to maintain in a reasonable state of repair the many Provincial Buildings and works which require annually a considerable expenditure to protect the investment and to provide suitable facilities for the occupying departments.

There are many new buildings and works that are needed to maintain the services rendered by the Province, but these are held in abeyance during the war and provision has been made under capital only for contingent items that may be necessary to provide further fire protection facilities; the construction of dams to control the water levels for navigation and to complete the Fish Hatcheries.

It was anticipated that construction work on the Grand River Conservation Scheme would have been completed this year, but this has not been possible and the remainder of the work will be undertaken this Spring, as soon as weather permits. An appropriation has been provided in the estimates to complete the Province's share of the cost of this most beneficial work. (Applause.)

HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

Ontario's low cost Hydro power is making a large contribution towards Canada's war effort. Vital electric services for war industries and for aeroplane fields have been speedily provided, and will be provided whenever and wherever needed. Last year the Hydro-Electric Power Commission of Ontario delivered a total of 19 per cent more electric energy than in the previous year, and it is planning to meet larger war load demands this year. Special measures have been taken to protect vital power sources, new plants are being built, and distributing facilities are being constantly extended and enlarged to meet all war demands.

Continued development of the mining industry in Northern Ontario increased by some 20 per cent the primary load of the Northern Ontario Properties, which are held and operated by the Hydro-Electric Power Commission of Ontario on behalf of the Province. For the Northern Ontario Properties as a whole, the accumulated deficits of the first few years of operation have now been liquidated, and last year the customary reserve for renewals, contingencies and obsolescence, as well for sinking fund, were set aside in full. (Applause.)

In rural Ontario the construction of about 1,400 miles of rural primary line was authorized to serve nearly 10,000 new rural customers, bringing the present

total to about 19,500 miles of rural lines serving 123,000 customers, more than one-half of whom are farmers living on their individual farms. (Applause.) For the ensuing year it is expected that extensions to rural power districts will involve a capital outlay of approximately \$1,500,000, of which the Province will contribute \$750,000 as a grant-in-aid to further assist in extending the benefits of Hydro service to rural population. In addition to the grant-in-aid, the Province has advanced to the Commission a total of \$360,000 to enable it to make loans to 1,770 bona fide farmers. These loans are being repaid according to schedule, nearly 800 loans being already repaid in full. (Applause.)

THE MUNICIPAL HYDRO RADIAL RELIEF MEASURE

It has now become possible for the Government to right the ancient wrong which it found upon its doorstep when it assumed office.

In 1914, in fear of surplus power accruing from the Queenston power development, the Ontario Hydro Commission, and the late Conservative Government, undertook to promote a system of electric trolley cars which might take up some unusable power, and passed the Hydro-Electric Railway Act, 1914. Following an active campaign, the Hydro and the Government of that day induced some fifteen municipalities between Toronto and Niagara Falls to enter into agreements for the construction of Hydro radials throughout this area and to guarantee the cost thereof by depositing their municipal bonds with the Hydro-Electric Power Commission of Ontario. The Ontario Hydro, with the Government of that day, undertook to construct such radial lines and to operate same.

Following this, the Hydro Commission made surveys, purchased right-of-way and undertook certain preliminary work, incurring therefor and for interest an expenditure of \$2,246,622.82. After the work had been begun the extremely hazardous character of the enterprise became apparent and the Government of that day, in 1920, appointed a Royal Commission to review the situation and report upon the prospects of the undertaking. Following the Report of such Commission and without consent of such municipalities, the Municipal Electric Railway Act, 1922, was passed repealing the Hydro-Electric Railway Act, 1914, and thereby cancelling the agreements with the said Municipalities.

The Hydro radial railways were not built and the large sums of money already expended by the Hydro were charged against the Municipalities' Bonds so deposited in spite of the fact that no Hydro radial railway had been completed, as agreed.

It is difficult to see in these stated facts anything but an act of extreme injustice to the municipalities concerned. They received no consideration for the indebtedness charged against them. Their agreements had been cancelled and their municipal credit seriously threatened by the bonds deposited as aforesaid and held to secure indebtedness.

Since 1922 these municipalities have incurred great losses in financing as the result of loss of credit through these outstanding bonds.

It has now become possible from the improvement in Provincial finances for this Government to repair the wrong done these municipalities (applause) and

the Government has decided in conjunction with the Hydro-Electric Commission to assume the full amount of this indebtedness and to completely relieve the Municipalities of any share in the loss by cremating their bonds so deposited and certifying them to the full payment of all obligations imposed by virtue of the Hydro-Electric Railway Act, 1914. (Loud applause.)

The names of the Municipalities affected, together with their respective share of total liabilities as of March 31st, 1941, which will be discharged and the respective amounts of debentures deposited which will be cremated and destroyed, follow :—

SCHEDULE B

List showing the Corporations, their respective shares of the Total Liabilities as of March 31st, 1941, and the respective amounts of their Debentures deposited as Collateral Security with the Commission under the 1914 Act

NAME OF CORPORATION	Respective Shares of Total Liabilities as of March 31, 1941	Respective Amounts of Debentures deposited as Collateral
PORT CREDIT-ST. CATHARINES		
Township of Grantham.....	\$ 9,442.77	\$ 141,604.00
“ “ Louth.....	41,473.34	621,935.00
“ “ Clinton.....	34,872.86	522,954.00
“ “ North Grimsby.....	31,216.69	468,126.00
“ “ Barton.....	20,941.09	314,033.00
“ “ East Flamboro.....	19,626.54	294,320.00
“ “ Nelson.....	27,590.26	413,744.00
“ “ Trafalgar.....	39,656.53	594,690.00
“ “ Toronto.....	17,893.82	268,336.00
Village of Beamsville.....	3,788.67	56,815.00
“ “ Grimsby.....	7,494.86	112,393.00
Town of Burlington.....	10,639.42	159,549.00
“ “ Oakville.....	14,950.23	224,194.00
City of St. Catharines.....	45,914.79	688,539.00
“ “ Hamilton.....	432,043.21	6,478,928.00
Totals—Port Credit-St. Catharines.....	\$ 757,545.08	\$11,360,160.00
TORONTO—PORT CREDIT		
Township of Toronto.....	\$ 64,272.33	\$ 220,542.00
“ “ Etobicoke.....	116,960.66	401,335.00
Village of Port Credit.....	15,751.74	54,050.00
Town of New Toronto.....	23,970.03	82,250.00
“ “ Mimico.....	32,406.90	111,200.00
City of Toronto.....	1,235,716.08	4,240,196.00
Totals—Toronto-Port Credit.....	\$1,489,077.74	\$5,109,573.00
Grand Totals of both Radials.....	\$2,246,622.82	\$16,469,733.00

TEMISKAMING AND NORTHERN ONTARIO RAILWAY COMMISSION

Gross earnings of the Temiskaming and Northern Ontario Railway (including its subsidiary the Nipissing Central Railway Company) reached almost six million dollars in the year ended March 31st, 1940, thus establishing a new high record. Gross for the year ending March 31st, 1941, will probably be slightly higher than in the preceding year.

Net profit for the year ending March 31st, 1940, amounted to approximately \$1,150,000.00 and this figure will be reached, or possibly exceeded, in the year ending March 31st, 1941. (Applause.)

During the current year the Commission has reduced its bonded debt by \$116,000.00 and has reduced its bank loan by \$800,000.00—making a total debt reduction for the railway during the year to date of \$916,000.00. (Applause.)

COMMISSIONER OF AGRICULTURAL LOANS

Loans granted on the security of first mortgages on farms under the Agricultural Development Act during the years from 1922 to 1935 show the following balances outstanding as at January 31st, 1941:

Principal.....	\$37,647,465.37
Interest.....	1,630,799.13
Sundries.....	32,699.37

Total.....	\$39,310,963.87
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The farm properties on hand total 734, having a book-value of.....	2,779,203.34
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Total.....	\$42,090,167.21
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The Collections for the ten months' period ending January 31st, 1941, are as follows:

Principal.....	\$2,215,743.59
Interest.....	1,450,288.63

Total.....	\$3,666,032.22
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This represents an increase of \$196,922.33 over the collections for the corresponding period of last year. (Applause.)

The fullest appreciation of the present plight of the farming communities has been given. The borrowers under this scheme were, in a great many cases, granted loans which were far in excess of actual values, which resulted in heavy burdens by the way of repayments.

The depressed condition of agriculture has made the mortgagors' condition even more burdensome and it has only been through the utmost co-operation on the part of the Department that a great many of these mortgagors have survived.

This co-operation consists of a lower rate of interest, 4 per cent., than generally prevails, a system of extensions, including reamortization of mortgages, and constant advice and encouragement from a trained staff of field inspectors.

We are most reluctant to repossess farms and refuse to take any action unless the mortgagor has reached the end of his tether, has abandoned the farm or tendered a Quit Claim Deed.

LIQUOR CONTROL BOARD

By the end of the current fiscal year the Board will have paid to the Provincial Treasurer approximately \$550,000 more than during the preceding year when \$9,950,000 was paid. In addition thereto, payments will be made by the Board to the three hundred odd municipalities as their share of their local hotel authority holders' fees, to an extent of \$265,000, which is about \$40,000 higher than last year. (Applause.) These increased payments reflect the higher revenues derived by the Board in its operations and are attributable to improved industrial activities throughout the Province.

PUBLIC FINANCING

Debentures of a par value of \$21,285,000 were issued on May 1st, 1940, \$6,285,000 bearing a coupon rate of 2% and repayable in four equal annual instalments of \$1,250,000 and one instalment of \$1,285,000 over the years 1941 to 1945, and \$15,000,000 bearing a coupon rate of 3¼%, repayable in fifteen years, with a provision for redemption on May 1st, 1952, or any subsequent interest date at the option of the Government.

On November 1st, debentures of a par value of \$16,000,000 were issued, \$6,000,000 bearing a coupon rate of 2% and repayable \$1,200,000 per year from November 1st, 1941, to November 1st, 1945, and \$10,000,000 bearing a coupon rate of 3¼% repayable in ten years, with a provision for redemption on November 1st, 1948, or any subsequent interest date at the option of the Government.

Apart from the public issues already described, the Province, in accordance with statutory requirements, has issued debentures to the amount of \$1,500,000, bearing interest at the rate of 4¾% per annum and has received in payment thereof an equivalent sum of money from the Teachers' and Inspectors' Super-annuation Fund.

THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO

On February 15th, 1941, the Hydro issued debentures of a par value of \$15,000,000 bearing a coupon rate of 2½%, repayable in annual instalments of \$1,875,000 in each of the years from 1942 to 1949 inclusive. This financing was to retire a similar amount of Hydro debentures which matured on March 1st, 1941.

PROVINCIAL DEBT REDUCTIONS

With the permission of the House I shall now place on the table the following statements:

- (1) The Funded Debt of Ontario. Detail Summary of Estimated Changes in Funded Debt for the fiscal year ending March 31st, 1941. Showing a decrease of \$2,160,257.24. (Applause.)
- (2) Temporary Loans—Treasury Bills. Estimated to be outstanding as at March 31st, 1941. A reduction of \$3,000,000 in the amount of Treasury Bills outstanding as at April 1st, 1940. (Applause.)
- (3) Contingent Liabilities. Bonds, etc., Guaranteed by the Province. Estimated as at March 31st, 1941. Showing a decrease of \$2,436,771.25. (Applause.)

THE FUNDED DEBT OF ONTARIO

Detail Summary of Estimated Changes in Funded Debt for the Fiscal Year ending March 31, 1941

As at March 31, 1940 (after deducting Sinking Funds).....		\$618,744,454.48
ADD—Sale of Debentures—		
RM 2% —Due May 1, 1941/45.....	\$ 6,285,000.00	
RN 3¼% —Due May 1, 1952/55.....	15,000,000.00	
RP 3¼% —Due Nov. 1, 1948/50.....	10,000,000.00	
RQ 2% —Due Nov. 1, 1941/45.....	6,000,000.00	
TI 4¾% —Due Nov. 1, 1942.....	1,500,000.00	
		<u>\$38,785,000.00</u>
LESS—Redemptions—		657,529,454.48
At Maturity—		
May 15, 1940—AL 4%.....	\$ 502,000.00	
May 15, 1940—AP 4½%.....	443,000.00	
June 1, 1940—AS 4%.....	432,000.00	
June 1, 1940—RK 1½%.....	1,200,000.00	
June 15, 1940—BE 3%.....	8,153,500.00	
Aug. 1, 1940—RC 2%.....	10,000,000.00	
Nov. 1, 1940—AK 4½%.....	800,000.00	
Dec. 1, 1940—AH 4½%.....	700,000.00	
Jan. 15, 1941—AJ 4½%.....	800,000.00	
Jan. 15, 1941—AR 4½%.....	386,000.00	
Jan. 15, 1941—RE 2%.....	8,000,000.00	
Feb. 1, 1941—SS 6%.....	8,349,500.00	
	<u>\$39,766,000.00</u>	
Railway Aid Certificates.....	76,992.00	
Sinking Fund Provisions—Current Year—		
Instalments.....	1,086,655.27	
Earnings.....	15,609.97	
		<u>40,945,257.24</u>
Estimated as at March 31, 1941 (after deducting Sinking Funds).....		<u>\$616,584,197.24</u>
Total Redemptions.....	\$40,945,257.24	
Total New Issues.....	38,785,000.00	
Net Decrease.....	\$ 2,160,257.24	

PROVINCE OF ONTARIO

Temporary Loans—Treasury Bills

Estimated to be outstanding as at March 31, 1941

Date of Maturity	Date of Issue	Rate %	Series	Amount Outstanding	Where Payable
1941, June 1	1938, June 1	1.65%	RT-N	\$5,000,000.00	Canada
June 29	1940, June 29	1¼% Disc.	RT-X	2,000,000.00	"
Aug. 1	1938, Aug. 1	1.65%	RT-O	4,500,000.00	"
Aug. 1	Aug. 1	1.65%	EJ	2,500,000.00	"
Sept. 1	1940, Sept. 1	1.75%	RT-AD	2,000,000.00	"
Sept. 1	Sept. 1	1.75%	RT-Z	2,000,000.00	"
Sept. 1	Sept. 1	1.75%	RT-AB	5,000,000.00	"
Sept. 3	Sept. 3	1½% Disc.	RT-Y	1,000,000.00	"
Sept. 13	Sept. 13	1.75%	RT-AA	2,000,000.00	"
Sept. 13	Sept. 13	1.75%	RT-AB	5,000,000.00	"
Sept. 13	Sept. 13	1.75%	RT-Z	5,000,000.00	"
Sept. 13	1938, Dec. 1	1.65%	RT-T	5,000,000.00	"
Sept. 15	1940, Sept. 15	1.75%	RT-AC	2,000,000.00	"
Nov. 1	Nov. 1	1.75%	RT-U	10,000,000.00	"
Dec. 21	Dec. 21	1.75%	RT-AE	8,000,000.00	"
				<u>\$61,000,000.00</u>	

This is a reduction of \$3,000,000.00 in the amount of Treasury Bills outstanding at April 1st, 1940.

PROVINCE OF ONTARIO

Contingent Liabilities, Bonds, etc., Guaranteed by the Province

Estimated as at March 31, 1941

Total (as per Public Accounts, March 31, 1940).....\$134,651,515.66

ADD—New Guarantees for fiscal year ending March 31, 1941—

Co-operative Associations.....	\$ 5,000.00	
Park Commissions.....	3,000,000.00	
Power Commissions.....	17,000,000.00	
		<u>20,005,000.00</u>
		\$154,656,515.66

LESS—Principal Maturities redeemed or to be redeemed during fiscal year ending March 31, 1941—

BY PROVINCE OF ONTARIO—

Housing.....	\$ 100,879.40	
Municipalities.....	4,425.01	
Schools.....	12,933.62	
		<u>\$ 118,238.03</u>

BY MUNICIPALITIES, ETC.—

Co-Operative Associations.....	\$ 13,424.03	
Housing.....	117,525.97	
Municipalities.....	54,962.70	
Park Commissions.....	2,608,000.00	
Power Commissions.....	18,276,000.00	
Railways.....	916,000.00	
Schools.....	214,512.73	
Universities.....	95,345.98	
		<u>22,295,771.41</u>
		22,414,009.44

LESS—Sinking Fund Deposits for fiscal year ending March 31, 1941.....\$132,242,506.22
27,761.81

Estimated Net Contingent Liability of the Province as at March 31, 1941.....\$132,214,744.41

SUMMARY

Contingent Liability of the Province—March 31, 1940.....	\$134,651,515.66
Estimated Contingent Liability of the Province—March 31, 1941.....	132,214,744.41
Estimated Decrease.....	<u>\$ 2,436,771.25</u>

ORDINARY EXPENDITURE

With the permission of the House I desire to table an interim statement of the Gross Ordinary Expenditure for the fiscal year April 1st, 1940, to March 31st, 1941, consisting of ten months' actual payments and two months' forecast, the total gross expenditure being \$101,455,900.00.

INTERIM STATEMENT OF GROSS ORDINARY EXPENDITURE

Fiscal Year April 1, 1940—March 31, 1941

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	Detail	Gross Ordinary Expenditure
1—AGRICULTURE.....		\$ 2,100,000.00
2—ATTORNEY-GENERAL.....		3,200,000.00
3—EDUCATION.....		12,730,000.00
4—GAME AND FISHERIES.....		530,000.00
5—HEALTH:		
Main Office and Branches.....	\$1,200,000.00	
Hospitals Branch.....	9,700,000.00	10,900,000.00
6—HIGHWAYS.....		13,036,400.00
7—INSURANCE.....		59,000.00
8—LABOUR.....		783,000.00
9—LANDS AND FORESTS.....		2,166,000.00
10—LEGISLATION.....		270,000.00
11—LIEUTENANT-GOVERNOR.....		10,000.00
12—MINES.....		320,000.00
13—MUNICIPAL AFFAIRS.....		3,059,900.00
14—PRIME MINISTER.....		172,500.00
15—PROVINCIAL AUDITOR.....		115,100.00
16—PROVINCIAL SECRETARY:		
Main Office and Registrar-General's Branch.....	141,000.00	
Reformatories and Prisons Branch.....	2,242,000.00	2,383,000.00
17—PROVINCIAL TREASURER:		
Main Office.....	1,080,000.00	
Budget Committee Office.....	9,500.00	
Controller of Revenue Branch.....	395,700.00	
Motion Picture Censorship and Theatre Inspection Branch.....	36,700.00	
Post Office.....	143,600.00	
Savings Office.....	265,900.00	1,931,400.00
18—PUBLIC WELFARE:		
Main Office and Branches.....	416,000.00	
Old Age and Pensions for the Blind Commission.....	3,479,000.00	
Mothers' Allowances Commission.....	4,813,000.00	8,708,000.00
19—PUBLIC WORKS.....		665,000.00
MISCELLANEOUS:		
Hydro Radials.....	1,250,000.00	
Miscellaneous Grants.....	4,400.00	1,254,400.00
STATIONERY ACCOUNT.....		70,800.00
		\$ 64,464,500.00
PUBLIC DEBT—Interest, Exchange, etc.....		32,676,400.00
		\$ 97,140,900.00
ADD: Unemployment Direct Relief and Administration thereof.....		4,315,000.00
		\$101,455,900.00

CAPITAL PAYMENTS

For the information of the House, I desire to table an interim statement of the Gross Capital Payments for the fiscal year April 1st, 1940, to March 31st, 1941, being ten months actual and two months forecast, the total payments being \$31,515,346.66.

INTERIM STATEMENT OF GROSS CAPITAL PAYMENTS

Fiscal Year April 1, 1940—March 31, 1941

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	GROSS CAPITAL PAYMENTS		
	Works and Resources	Loan Advances	Trust Fund Repayments
AGRICULTURE.....		\$ 17,000.00	
EDUCATION.....	\$ 65,638.43		
GAME AND FISHERIES.....	5,293.32		
HIGHWAYS.....	16,818,536.02		
LABOUR.....		60,000.00	
LANDS AND FORESTS.....	331,440.10		
PRIME MINISTER:			
Public Service Superannuation Fund.....			\$ 863,261.87
PROVINCIAL TREASURER:			
Main Office.....		1,195,378.72	311,096.58
Hydro-Electric Power Commission.....	1,375,000.00	30,000.00	
PUBLIC WELFARE:			
Dominion Government:			
Old Age and Pensions for Blind Com-			
mission.....		10,050,000.00	
PUBLIC WORKS.....	389,498.96		
MISCELLANEOUS.....			3,202.66
	<u>\$18,985,406.83</u>	<u>\$11,352,378.72</u>	<u>\$1,177,561.11</u>

SUMMARY

Works and Resources.....	\$18,985,406.83
Loan Advances.....	11,352,378.72
Trust Fund Repayments.....	1,177,561.11
	<u>\$31,515,346.66</u>

ORDINARY REVENUE

For the information of the House, I desire to table an interim statement of the Gross Ordinary Revenue for the fiscal year April 1st, 1940, to March 31st, 1941, being ten months actual and two months forecast. The total revenue for the fiscal year which ends on the 31st of this month is estimated to be \$114,056,264.56 The total expenditure, as I have already indicated, is \$101,455,900.00, leaving the surplus on this year's operations of \$12,600,364.56. (Loud and prolonged applause and cheers.)

INTERIM STATEMENT OF GROSS ORDINARY REVENUE

Fiscal Year April 1, 1940—March 31, 1941

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	Detail	Gross Ordinary Revenue
1—AGRICULTURE.....		\$ 322,000.00
2—ATTORNEY-GENERAL.....		930,000.00
3—EDUCATION.....		105,000.00
4—GAME AND FISHERIES.....		976,000.00
5—HEALTH:		
Main Office and Branches.....	\$ 70,000.00	
Hospitals Branch.....	1,509,000.00	
		1,579,000.00
6—HIGHWAYS:		
Main Office.....	49,000.00	
Gasoline Tax.....	26,000,000.00	
Permits, Gas Pumps, etc.....	110,000.00	
Motor Vehicles Branch.....	9,000,000.00	
		35,159,000.00
7—INSURANCE.....		220,000.00
8—LABOUR.....		90,000.00
9—LANDS AND FORESTS.....		5,000,000.00
10—LEGISLATION.....		9,000.00
11—MINES.....		2,330,000.00
12—MUNICIPAL AFFAIRS:		
Main Office.....	8,000.00	
Municipal Board.....	19,000.00	
		27,000.00
13—PRIME MINISTER.....		16,000.00
14—PROVINCIAL SECRETARY:		
Main Office and Registrar-General's Branch.....	390,000.00	
Reformatories and Prisons Branch.....	923,000.00	
		1,313,000.00
15—PROVINCIAL TREASURER:		
Main Office—Subsidy.....	2,941,424.28	
Interest.....	72,840.28	
Liquor Control Board.....	10,500,000.00	
Controller of Revenue Branch:		
Succession Duty.....	11,000,000.00	
Corporation Tax.....	23,000,000.00	
Race Tracks.....	611,000.00	
Income Tax.....	6,800,000.00	
Security Transfer Tax.....	275,000.00	
Land Transfer Tax.....	230,000.00	
Law Stamps.....	350,000.00	
Motion Picture Censorship and Theatre Inspection..	200,000.00	
Savings Office.....	266,000.00	
		56,246,264.56
16—PUBLIC WORKS.....		61,000.00
		\$104,383,264.56
PUBLIC DEBT—Interest.....		9,673,000.00
		<u>\$114,056,264.56</u>

SUMMARY

Gross Ordinary Revenue.....	\$114,056,264.56
Less: Gross Ordinary Expenditure before providing for Unemployment Direct Relief, Provision for Sinking Funds and Maturing Railway Aid Certificates.....	95,977,300.00
Surplus: before providing for Unemployment Direct Relief, Provision for Sinking Fund, and Maturing Railway Aid Certificates..	18,078,964.56
Less: Unemployment Direct Relief and Administration thereof..	\$4,315,000.00
Provision for Sinking Fund..	1,086,600.00
Maturing Railway Aid Certificates.....	77,000.00
	5,478,600.00
Interim Surplus.....	\$12,600,364.56

CAPITAL RECEIPTS

With the permission of the House, I desire to table an interim statement of the Gross Capital Receipts for the fiscal year April 1st, 1940, to March 31st, 1941, being ten months actual and two months forecast. The estimated total capital receipts are \$23,256,247.38.

INTERIM STATEMENT OF GROSS CAPITAL RECEIPTS

Fiscal Year April 1, 1940—March 31, 1941

10 Months Actual—2 Months Forecast—12 Months

DEPARTMENT	GROSS CAPITAL RECEIPTS		
	Works and Resources	Loan Repayments	Trust Fund Deposits
AGRICULTURE.....	\$	\$ 5,765.00	\$
ATTORNEY-GENERAL.....	.....	5,000.00	150.00
HIGHWAYS.....	13,380.50	.....	.....
LABOUR.....	.....	60,000.00	.....
LANDS AND FORESTS.....	46,220.82	.....	.....
MINES.....	52,191.03	.....	.....
MUNICIPAL AFFAIRS.....	.....	35,500.00	.....
PRIME MINISTER:			
Public Service Superannuation Fund.....	.....	.....	1,323,204.83
PROVINCIAL SECRETARY.....	.....	.....	16,295.27
PROVINCIAL TREASURER:			
Main Office.....	.....	3,666,619.31	204,701.24
Hydro-Electric Power Commission.....	.....	7,772,237.68	.....
PUBLIC WELFARE:			
Old Age and Pensions for the Blind Commission.....	.....	10,050,000.00	.....
PUBLIC WORKS.....	4,981.70	.....	.....
	<u>\$ 116,774.05</u>	<u>\$21,595,121.99</u>	<u>\$1,544,351.34</u>

SUMMARY

Works and Resources.....	\$ 116,774.05
Loan Repayments.....	21,595,121.99
Trust Fund Deposits.....	1,544,351.34
	<u>\$23,256,247.38</u>

GROSS PROVINCIAL DEBT

With the permission of the House, I desire to table a statement showing in detail the estimated decrease in the Gross Debt for the year ending March 31st, 1941. Mr. Speaker, I am happy to report to you, Sir, that this year the gross debt is being reduced by the sum of \$5,346,079.25. (Loud and prolonged applause.)

PROVINCE OF ONTARIO

**Detail Summary Accounting for Estimated Decrease in Gross Debt
For the Year Ending March 31, 1941**

GROSS DEBT DECREASED BY—

Surplus—

Surplus on Ordinary Account.....	\$12,600,364.56	
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Provisions Charged to Ordinary Expenditure—

Retirement of Railway Aid Certificates.....	76,992.00	
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Sinking Fund Instalments.....	1,086,655.27	
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		\$13,764,011.83
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Discount on Debentures, etc.—Written off.....		960,058.93
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Earnings on Sinking Fund Investments (Net).....		15,609.97
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Loan Repayments—

Hydro-Electric Power Commission of

Ontario.....	\$ 7,718,676.91	
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Agricultural Development Board.....	2,564,000.00	
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Housing Loans.....	35,500.00	
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Tile Drainage (Net).....	89,284.41	
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Miscellaneous (Net).....	126,200.80	
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		10,533,662.12
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Increase in Reserves.....		3,648.32
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		\$25,276,991.17
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GROSS DEBT INCREASED BY—

Capital Disbursements—

Highways, Public Buildings, Public Works, etc.....	\$18,985,406.83	
--	-----------------	--

Less—

Capital Receipts.....	109,106.45	
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		\$18,876,300.38
--	--	-----------------

Discount on Debentures, etc., issued during year.....		758,492.69
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Payments re Guaranteed Debentures (Net).....		296,118.85
--	--	------------

		19,930,911.92
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Estimated Decrease as at March 31st, 1941.....		<u>\$ 5,346,079.25</u>
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NET DEBT

The net debt of the Province will vary in an amount closely following the amount of the gross debt. The exact amount of the variation cannot here be stated because of the necessity of ascertaining the amounts of certain balances which may be collected or outstanding at the end of the fiscal year. Full details of the change in the amount of the net debt will be available when the Public Accounts are brought down.

In criticisms of the figures submitted by me in former Budgets, efforts have been made to confuse the public mind by the allegations that debts were camouflaged or otherwise concealed, that bills were left unpaid, and that indirect liabilities were incurred for the purpose of covering up increases in the direct debt and covering up the true figures regarding the gross debt of the Province. Passing over these criticisms, I desire to make it known, and to emphasize, that

for the present fiscal year we have a surplus of \$12,600,000.00, a reduction in the funded debt of \$2,160,257.24, a reduction in the Treasury Bill debt of \$3,000,000, and a reduction in the contingent or indirect debt of the Province in the amount of \$2,436,771.25. (Applause.) I sincerely trust that this announcement which I am able to make in war time will not occasion too much grief among the critics of the Government. Gentlemen, everyone should rejoice and find considerable satisfaction in the sound financial position in which this Banner Province finds itself to-day. (Applause.) Our credit at home and abroad is second to no public authority that I know of in the whole of the Empire. This should be a source of great satisfaction to us all when we realize that we are the keystone Province and one of the major pillars of the national economic structure. (Applause.)

FISCAL YEAR 1941-1942

Printed copies of the estimates have already been tabled and presented to you, Sir, and printed copies have been supplied to the members of the House.

With the permission of the House, I place on the records the Budget forecasts of ordinary revenue and ordinary expenditure, capital receipts and capital payments for the fiscal year April 1st, 1941, to March 31st, 1942.

BUDGET FORECAST OF ORDINARY REVENUE

Fiscal Year April 1, 1941—March 31, 1942

DEPARTMENT	Detail	Gross Ordinary Revenue	Application of Revenue to Expenditure	Detail	Net Ordinary Revenue
1—AGRICULTURE.....		\$ 291,153.00			\$ 291,153.00
2—ATTORNEY-GENERAL.....		1,021,070.00	\$ 130,670.00		890,400.00
3—EDUCATION.....		60,000.00			60,000.00
4—GAME AND FISHERIES.....		1,000,000.00			1,000,000.00
5—HEALTH:					
Main Office and Branches.....	\$ 60,830.00		3,200.00	\$ 57,630.00	
Hospital Branch.....	1,390,500.00	1,451,330.00		1,390,500.00	1,448,130.00
6—HIGHWAYS:					
Main Office and Branches.....	10,000.00			10,000.00	
Gasoline Tax Branch.....	26,500,000.00			26,500,000.00	
Miscellaneous Permits Branch.....	90,000.00			90,000.00	
Motor Vehicles Branch.....	9,500,000.00	36,100,000.00		9,500,000.00	36,100,000.00
7—INSURANCE.....		210,000.00			210,000.00
8—LABOUR.....		80,000.00			80,000.00
9—LANDS AND FORESTS.....		5,000,000.00			5,000,000.00
10—LEGISLATION.....		10,000.00			10,000.00
11—MINES.....		2,500,000.00	5,000.00		2,495,000.00
12—MUNICIPAL AFFAIRS:					
Main Office and Municipal Board.....		21,110.00			21,110.00
13—PRIME MINISTER:					
King's Printer—Ontario Gazette.....		14,400.00			14,400.00
14—PROVINCIAL SECRETARY:					
Main Office and Registrar-General's Branch.....	330,000.00			330,000.00	
Reformatories and Prisons Branch.....	912,000.00	1,242,000.00	702,000.00	210,000.00	540,000.00
15—PROVINCIAL TREASURER:					
Main Office—Subsidy.....	2,941,424.00			2,941,424.00	
Interest.....	73,000.00			73,000.00	
Liquor Control Board.....	12,000,000.00			12,000,000.00	
Controller of Revenue Branch:					
Succession Duty.....	12,000,000.00			12,000,000.00	
Corporations Tax.....	23,000,000.00			23,000,000.00	
Race Tracks.....	525,000.00			525,000.00	
Income Tax.....	5,000,000.00			5,000,000.00	
Security Transfer Tax.....	350,000.00			350,000.00	
Land Transfer Tax.....	225,000.00			225,000.00	
Law Stamps.....	365,000.00			365,000.00	
Motion Picture Censorship and Theatre Inspection Branch.....	175,000.00			175,000.00	
Savings Office.....	261,174.48	56,915,598.48	261,174.48		56,654,424.00
16—PUBLIC WORKS.....		49,000.00			49,000.00
MISCELLANEOUS.....		100,000.00	100,000.00		
		\$106,065,661.48	\$ 1,202,044.48		\$104,863,617.00
PUBLIC DEBT—Interest, etc.....	\$ 8,364,696.66		8,364,696.66		
Foreign Exchange.....	749,417.23	9,114,113.89	749,417.23		
TOTAL.....		\$115,179,775.37	\$10,316,158.37		\$104,863,617.00

SUMMARY

Net Ordinary Revenue.....	\$104,863,617.00
Net Ordinary Expenditure (not including Unemployment Relief).....	90,135,553.04
EXCESS OF ORDINARY REVENUE OVER ORDINARY EXPENDITURE.....	\$ 14,728,063.96
Estimated Net Expenditure on account of Unemployment Direct Relief and administration thereof.....	4,985,000.00
SURPLUS FORECAST.....	\$ 9,743,063.96

BUDGET FORECAST OF ORDINARY EXPENDITURE

Fiscal Year April 1, 1941—March 31, 1942

DEPARTMENT	Detail	Gross Ordinary Expenditure	Application of Revenue to Expenditure	Detail	Net Ordinary Expenditure
1—AGRICULTURE.....		\$ 5,984,117.50			\$ 5,984,117.50
2—ATTORNEY-GENERAL.....		3,070,645.00	\$ 130,670.00		2,939,975.00
3—EDUCATION.....		13,588,630.00			13,588,630.00
4—GAME AND FISHERIES.....		619,000.00			619,000.00
5—HEALTH:					
Main Office and Branches....	\$ 1,310,860.00		3,200.00	\$1,307,660.00	
Hospitals Branch.....	9,474,825.00	10,785,685.00		9,474,825.00	10,782,485.00
6—HIGHWAYS:					
Main Office and Branches....	12,925,000.00			12,925,000.00	
Motor Vehicles Branch.....	400,000.00	13,325,000.00		400,000.00	13,325,000.00
7—INSURANCE.....		62,425.00			62,425.00
8—LABOUR.....		815,000.00			815,000.00
9—LANDS AND FORESTS.....		2,278,175.00			2,278,175.00
10—LEGISLATION.....		272,450.00			272,450.00
11—LIEUTENANT-GOVERNOR..		10,000.00			10,000.00
12—MINES.....		367,275.00	5,000.00		362,275.00
13—MUNICIPAL AFFAIRS:					
Main Office and Municipal Board.....	94,590.00			94,590.00	
Subsidy—1 Mill— To cities, town, incorporated villages and townships.....	3,000,000.00	3,094,590.00		3,000,000.00	3,094,590.00
14—PRIME MINISTER.....		407,065.00			407,065.00
15—PROVINCIAL AUDITOR.....		118,200.00			118,200.00
16—PROVINCIAL SECRETARY:					
Main Office and Registrar- General's Branch.....	147,050.00			147,050.00	
Reformatories and Prisons Branch.....	1,910,500.00	2,057,550.00	702,000.00	1,208,500.00	1,355,550.00
17—PROVINCIAL TREASURER:					
Main Office.....	835,940.00			835,940.00	
Budget Committee Office.....	9,420.00			9,420.00	
Controller of Revenue Branch..	404,460.00			404,460.00	
Motion Picture Censorship and Theatre Inspection Branch..	44,025.00			44,025.00	
Post Office.....	148,140.00			148,140.00	
Savings Office.....	261,174.48	1,703,159.48	261,174.48		1,441,985.00
18—PUBLIC WELFARE:					
Main Office.....	219,975.00			219,975.00	
Children's Aid Branch.....	188,200.00			188,200.00	
Old Age Pensions Commission and Pensions for the Blind..	3,564,000.00			3,564,000.00	
Mothers' Allowances Commis- sion.....	4,660,650.00	8,632,825.00		4,660,650.00	8,632,825.00
19—PUBLIC WORKS.....		665,000.00			665,000.00
MISCELLANEOUS.....		104,400.00	100,000.00		4,400.00
		\$67,961,191.98	\$ 1,202,044.48		\$66,759,147.50
PUBLIC DEBT—Interest, etc.....		30,609,433.63	8,364,696.66		22,244,736.97
Foreign Exchange.....		1,881,085.80	749,417.23		1,131,668.57
TOTAL.....		\$100,451,711.41	\$10,316,158.37		\$90,135,553.04
ADD: Estimated Net Expenditure on account of Unemployment Direct Relief and the Ad- ministration thereof.....		4,985,000.00			4,985,000.00
GRAND TOTAL.....		\$105,436,711.41	\$10,316,158.37		\$95,120,553.04

BUDGET FORECAST OF CAPITAL RECEIPTS

Fiscal Year April 1, 1941—March 31, 1942

DEPARTMENT	CAPITAL RECEIPTS		
	Works and Resources	Loan Repayments	Trust Fund Deposits
AGRICULTURE.....		\$ 2,500.00	
HIGHWAYS.....	\$ 5,000.00		
LABOUR.....		35,000.00	
LANDS AND FORESTS.....	36,000.00		
MINES.....	52,000.00		
MUNICIPAL AFFAIRS.....		14,200.00	
PRIME MINISTER:			
Public Service Superannuation Fund.....			\$ 1,341,531.62
PROVINCIAL TREASURER:			
Main Office.....		3,361,780.71	158,368.45
Hydro-Electric Power Commission.....		1,747,619.34	
PUBLIC WELFARE:			
Dominion Government—			
Old Age Pensions Commission.....		10,035,000.00	
Pensions for Blind.....		256,500.00	
PUBLIC WORKS.....	375.00		
	<u>\$ 93,375.00</u>	<u>\$15,452,600.05</u>	<u>\$1,499,900.07</u>

SUMMARY

Works and Resources.....	\$ 93,375.00
Loan Repayments.....	15,452,600.05
Trust Fund Deposits.....	1,499,900.07
	<u>\$17,045,875.12</u>

BUDGET FORECAST OF CAPITAL PAYMENTS

Fiscal Year April 1, 1941—March 31, 1942

DEPARTMENT	CAPITAL PAYMENTS		
	Works and Resources	Loan Advances	Trust Fund Repayments
AGRICULTURE.....		\$ 25,000.00	
EDUCATION.....	\$ 65,638.43		
GAME AND FISHERIES.....	20,000.00		
HIGHWAYS.....	13,000,000.00		
LABOUR.....		35,000.00	
LANDS AND FORESTS.....	375,000.00		
PRIME MINISTER: Public Service Superannuation Fund.....			\$ 950,000.00
PROVINCIAL TREASURER: Main Office.....		1,355,088.58	291,488.56
Hydro-Electric Power Commission.....	750,000.00	60,000.00	
PUBLIC WELFARE: Dominion Government: Old Age Pensions Commission.....		10,035,000.00	
Pensions for Blind.....		256,500.00	
PUBLIC WORKS.....	292,000.00		
	<u>\$14,502,638.43</u>	<u>\$11,766,588.58</u>	<u>\$1,241,488.56</u>

SUMMARY

Works and Resources.....	\$14,502,638.43
Loan Advances.....	11,766,588.58
Trust Fund Repayments.....	1,241,488.56
	<u>\$27,510,715.57</u>

WAYS AND MEANS

For the fiscal year which begins April 1st next all the tax measures which were in force during the present fiscal year will be continued. A Bill to continue The Corporation Tax Act at present rates will be presented to the House some day next week.

CONCLUSION

Next year I forecast another surplus in line with our "Pay-As-You-Go" policy, a surplus of all receipts over all expenditures. (Applause.) This "Pay-As-You-Go" policy follows in principle the pledge given to the Federal Government that this Administration will not seek new money by way of borrowing to meet the requirements of expenditures not provided by revenues during war time. (Applause.) We shall live within our income. That is a real and substantial contribution we are making toward our war effort. We are therefore leaving the borrowing field entirely free and clear so that, in so far as the Province of Ontario is concerned, no obstacle or hindrance shall stand in the way of whatever measures the Department at Ottawa may adopt for financing Canada's participation in this vital conflict. (Applause.) The only borrowing by the Province will be for necessary refunding of maturing issues.

Ontario has also stepped into the breach created when the Dominion Government parted company with the Provinces in assuming any portion of the cost of unemployment relief. We are, as you are aware, assuming 75% of the cost of relief, and by this commitment we have enabled the municipalities of Ontario to carry their share of relief burdens and, at the same time, to pursue without interruption their policy of continued reduction of the direct taxation on real property (Applause.) This assumption of three-quarters of the cost of relief by the Province of Ontario will be appreciated by the most humble home-owner of this great Province.

We have promised to continue the one-mill subsidy payable to the 900 municipalities of the Province at a cost of three million dollars per year. (Applause.) This assistance is a further benefit to the home-owner and an inducement to the prospective home builder. In brief, the policy of this Government has been, and is, to safeguard and to develop the human resources of our society, and we say with pardonable pride that our policy has not changed since in July of 1934 we accepted the responsibility of shaping public policy and, in consequence, to use a Liberal expression, of making Ontario a better place in which to live. (Loud and prolonged applause, members rising in their seats to give three cheers.)

SUB-INDEX No. 1

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AND STATISTICAL STATEMENTS

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STATEMENT No. 1A

COMMISSIONER OF
Balance Sheet

ASSETS

F.P.O. Mortgage Loans.....	\$ 2,359,865.81
F.P.O. Interest Charges.....	552,369.59
F.P.O. Sundry Charges.....	302,098.15
Current Loans.....	39,452,004.11
Current Interest, Due and Accrued.....	2,654,380.05
Current Sundries.....	24,905.49

BANK ACCOUNT:

Capital Account.....	\$ 1,777.37	
Current Account.....	12,503.77	14,281.14
Insurance Loss Account.....		17,056.84

DEFICIT ACCOUNT:

Debit Balance, April 1st, 1939.....	\$ 5,028,907.52	
Credits, net, during the year ended March 31st, 1940.....	129,191.68	
Debit Balance, March 31st, 1940.....		4,899,715.84
		<u>\$50,276,677.02</u>

STATEMENT No. 1A

AGRICULTURAL LOANS

as at March 31st, 1940

LIABILITIES

Debentures.....		\$40,390,000.00
Interest on Debentures, Due and Accrued.....		6,273,924.46
Insurance Loss.....		17,056.84
Surpluses.....		61,942.44
F.P.O. Interest Reserve.....	\$ 552,369.59	
Current Interest Reserve.....	2,654,380.05	
		<u>3,206,749.64</u>
F.P.O. Expense Reserve.....	\$ 302,098.15	
Current Expense Reserve.....	24,905.49	
		<u>327,003.64</u>

\$50,276,677.02

STATEMENT No. 1B

THE LIQUOR CONTROL

BALANCE

As at March

ASSETS

Land, Buildings, Furniture, Equipment, Fixtures and Alterations to Rented Premises, Less Amounts written off	\$ 121,271.10
Cash on hand, in transit, and in banks	\$248,635.10
Accounts Receivable.....	257,495.53
Inventories of Liquor and Supplies in Warehouses and Stores	2,701,772.96
	<u>3,207,903.59</u>
Prepaid Charges.....	15,741.66

\$3,344,916.35

STATEMENT No. 1B

BOARD OF ONTARIO

SHEET

31st, 1940

LIABILITIES

Accounts Payable, Accrued Charges, Deferred Revenue, etc..... \$2,188,751.56

PROVINCIAL TREASURER:

Permit Sales—Balance from March 31st, 1939... \$ 2,133.30

Permit Sales—April 1st, 1939, to March 31st,
1940 (Net)..... 487,736.38\$489,869.68Less: Paid to Provincial Treasurer..... 475,000.00

\$ 14,869.68

Confiscated Liquor Stocks..... 8,596.72

23,466.40

SURPLUS:

Balance carried from Surplus Account.....\$10,607,698.39

Less: Paid to Provincial Treasurer..... 9,475,000.00Balance March 31st, 1940..... 1,132,698.39\$3,344,916.35

CONTINGENT LIABILITIES:

Liquor ordered but not delivered.....\$1,279,954.00

Duty on Stocks in Bond..... 1,130,154.00

STATEMENT No. 1C

NIAGARA PARKS

BALANCE

As at March

ASSETS

CURRENT:

Cash on Hand.....	\$	1,696.50	
Canadian Bank of Commerce, Niagara Falls:			
Chairman's Account.....	\$	28,937.78	
Chairman's Account, American Funds.....		312.35	
	\$	29,250.13	
Less: Current Account.....		7,804.72	
Less: Payroll Account.....		6,515.12	
			14,930.29
Accounts Receivable.....			1,762.69
Inventories of Supplies and Souvenirs.....			87,014.49
			\$ 105,403.97
WATER RENTALS, EARNED.....			148,942.07

RESERVE FUND:

Sinking Fund Provision for 5½% 15-year Debentures due 1st August, 1947:			
Deposit with the Treasury Department of Ontario as at December 1st, 1939.....	\$	124,632.30	
Accrued Interest thereon.....		1,661.76	
			\$ 126,294.06
(Deducted from Debenture Issue)	\$	126,294.06	

PROPERTY:

Land, Buildings, Improvements, cost.....	\$6,080,378.62		
Less: Reserve for Depreciation.....	1,429,747.07		
		\$4,650,630.95	
Office and Restaurant Equipment, cost.....	\$ 140,575.49		
Less: Reserve for Depreciation.....	103,891.33		
		36,684.16	
Cars and Trucks, cost.....	\$ 17,318.97		
Less: Reserve for Depreciation.....	14,205.29		
		3,113.68	
Miscellaneous Equipment and Tools, cost.....	\$ 34,296.13		
Less: Reserve for Depreciation.....	23,573.16		
		10,722.97	
Tableware, Linens and Utensils, cost.....	\$ 30,495.92		
Less: Reserve for Depreciation.....	24,592.70		
		5,903.22	
			4,707,054.98

DEFERRED CHARGES:

Payment made by the Commission in 1932 to the City of Niagara Falls in respect to the removal of the City Water Works from the Park Properties.....	\$ 50,000.00		
Less: Written off.....	41,666.66		
		\$ 8,333.34	
Discount on Debentures.....	\$ 87,820.00		
Less: Written off.....	52,983.00		
		34,837.00	
Expenses in re New Bridge Approaches.....		11,966.51	
Inventories of Expense Items.....		15,609.09	
Expenses in re protection of Power Plants.....		2,685.26	
Unexpired Insurance.....		2,774.62	
			76,205.82
			\$5,037,606.84

STATEMENT No. 1C

COMMISSION

SHEET

31st, 1940

LIABILITIES

CURRENT:

Accounts Payable.....\$ 136,405.27

FUNDED DEBT:

2% Notes, Guaranteed by the Province of Ontario,
payable 21st December, 1940, \$500,000.00 each,
numbered 1 to 5.....\$2,500,000.00
Accrued Interest thereon.....13,698.63
\$2,513,698.63

4% Instalment Gold Debentures, Guaranteed by
the Province of Ontario, payable 1st December,
1928-1947.....\$2,000,000.00
Less: Redeemed.....1,008,000.00

\$ 992,000.00
Accrued Interest thereon.....13,226.67
1,005,226.67

5½% 15-Year Debentures, Guaranteed by the
Province of Ontario, due 1st August, 1947....\$ 300,000.00
Accrued Interest thereon.....2,750.00

\$ 302,750.00
Less: Amount of Sinking Fund.....126,294.06
176,455.94

RESERVE—Public Liability.....3,695,381.24
29,208.61

SURPLUS:

As at April 1st, 1939.....\$1,089,330.62
Deduct: Expenses re International Railway
Company Arbitration.....3,208.35

\$1,086,122.27
Add: Excess of Revenue over Expenditure for
the year.....90,489.45
1,176,611.72

CONTINGENT:

Interest in re International Railway Company
Arbitration.

COMMITMENTS:

- (A) To purchase certain lands.
(B) To complete certain improvements.
(C) To pay pensions of about \$115.00 per month.

\$5,037,606.84

STATEMENT No. 1D

PRESQU'ILE PARK

Balance Sheet as at

ASSETS

CURRENT:

Cash on Hand.....	\$	9.04	
Cash in Bank.....		275.05	
Accounts Receivable (unpaid rent and taxes).....		363.19	
		<u> </u>	\$ 647.28

SINKING FUND INVESTMENTS:

Dominion and Ontario Government Bonds.....	\$10,470.26	
Cash held for investment in Special Savings Account.....	108.78	
	<u> </u>	10,579.04

FIXED:

Lands.....	\$18,000.00	
Wells.....	225.00	
Roads.....	16,575.72	
Parks.....	2,000.00	
Tools and Equipment (depreciated value).....	626.22	
Furniture and Fixtures (depreciated value).....	104.37	
	<u> </u>	37,531.31
		<u> </u>
		<u><u>\$48,757.63</u></u>

STATEMENT No. 1D

COMMISSION

March 31st, 1940

LIABILITIES

Bank Loan	\$ 1,000.00
Debentures, 6% May 1st, 1923, due May 1st, 1943	\$20,000.00
4% Sept. 1st, 1937, due Sept. 1st, 1957	2,500.00
	<u>22,500.00</u>

SINKING FUND RESERVE:

Represented by Sinking Fund Investments	\$10,579.04
Required in excess of Sinking Fund Investments	4,637.48
	<u>15,216.52</u>

SURPLUS:

Balance March 31st, 1940	10,041.11
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\$48,757.63

STATEMENT No. 1E

THE PROVINCE OF

Balance Sheet as at

ASSETS

Cash: On hand.....	\$605,913.50	
In banks	18,109.44	
In Transit: Due from Branches.....	\$ 29,270.04	
Due to Branches.....	2,600.41	
	<u>26,669.63</u>	\$ 650,692.57
Deposited with the Provincial Treasurer.....		36,684,258.23
Miscellaneous Accounts Receivable.....		2,051.80
Furniture and Fixtures—Cost.....	\$ 126,234.56	
Less: Reserve for Depreciation.....	74,387.65	
	<u>51,846.91</u>	
Alterations to Premises—Cost.....	7,811.50	
Less: Written off.....	1,562.34	
	<u>6,249.16</u>	
		<u>\$37,395,098.67</u>

STATEMENT No. 1E

ONTARIO SAVINGS OFFICE

March 31st, 1940

LIABILITIES

Depositors' Funds.....	\$37,101,815.57
Surplus.....	293,283.10

\$37,395,098.67

STATEMENT No. 1F

TEMISKAMING AND NORTHERN

Balance Sheet

ASSETS

INVESTMENT:

Road.....	\$34,080,189.57	
Railway Equipment and Motor Busses.....	6,744,324.93	
Restaurant and News Equipment.....	14,181.89	
		<u>\$40,838,696.39</u>
Investment in Affiliated Companies:		
Nipissing Central Railway—Advance.....	\$ 4,762,743.43	
Less Reserve.....	706,764.04	
		<u>4,055,979.39</u>
		<u>\$44,894,675.78</u>

CURRENT ASSETS:

Cash.....	\$ 138,652.53	
Accounts Receivable.....	229,214.56	
Traffic Balances.....	262,387.23	
Balances due on Townsite Sales.....	3,654.05	
Agents' and Conductors' Balances.....	141,893.50	
Material and Supplies.....	784,631.63	
Ballast Pit Sidings.....	57,670.21	
Other Assets.....	50.00	
		<u>1,618,153.71</u>

DEFERRED ASSETS:

Pension Fund Investments.....	\$ 418,738.42	
Fire Insurance Fund Investments.....	63,549.76	
		<u>482,288.18</u>

UNADJUSTED DEBITS:

Bus Franchise.....	\$ 18,208.08	
Lignite Deposit—Exploration.....	17,614.60	
Insurance Premiums Prepaid.....	759.77	
Advances to Treasurer and Paymaster.....	1,806.93	
Accounts in Suspense.....	983.91	
		<u>39,373.29</u>
		<u><u>\$47,034,490.96</u></u>

STATEMENT No. 1F

ONTARIO RAILWAY COMMISSION

as at 31st March, 1940

LIABILITIES

PROVINCE OF ONTARIO:

Loan without Interest.....	\$30,207,934.92
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LONG TERM DEBT:

Debenture Debt—Payable in instalments in the years 1941 to 1968 inclusive—	
Interest 4% per annum.....	5,782,000.00

	<u>\$35,989,934.92</u>
--	------------------------

CURRENT LIABILITIES:

Bank of Nova Scotia—Demand Loan.....	\$ 3,300,000.00	
Audited Accounts and Wages.....	368,731.20	
Traffic Balances.....	24,683.25	
Debenture Interest—Due and Accrued.....	41,346.68	
	<u>3,734,761.13</u>	

DEFERRED LIABILITIES:

Pension Fund Reserve.....	\$ 418,738.42	
Fire Insurance Reserve.....	63,549.76	
	<u>482,288.18</u>	

UNADJUSTED CREDITS:

Equipment Retirement Reserve—		
Railway Equipment and Motor Busses....	\$ 2,179,908.58	
Restaurant and News Equipment.....	10,609.06	
	<u>2,190,517.64</u>	
Fidelity Insurance Reserve.....	4,250.00	
Accounts in Suspense.....	5,930.89	
	<u>2,200,698.53</u>	
Surplus.....		4,626,808.20

	<u><u>\$47,034,490.96</u></u>
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STATEMENT No. 2A

COMPARATIVE STATEMENT

ORDINARY ACCOUNT

SUMMARY

Fiscal Year Ended March 31st, 1940

ORDINARY GROSS REVENUE:

Budget..... \$103,506,910.61
 Actual..... 98,924,851.33

Decrease..... \$4,582,059.28

ORDINARY ACCOUNT:

Revenue Budget.... \$103,506,910.61
 Expenditure Budget 103,356,038.44

SURPLUS..... \$ 150,872.17

ORDINARY GROSS EXPENDITURE:

Budget..... \$103,356,038.44
 Actual..... 102,158,947.52

DECREASE..... 1,197,090.92

\$3,384,968.36

ORDINARY ACCOUNT:

Revenue Actual.... \$ 98,924,851.33
 Expenditure Actual. 102,158,947.52

Deficit..... \$3,234,096.19

\$3,384,968.36

RECONCILIATION

REVENUE Decreased:

All Departments..... \$4,582,059.28

EXPENDITURE Increased:

Interest, Sinking Fund Instalments, Discount and Exchange..... \$ 388,581.21

EXPENDITURE DECREASED:

All Departments:

General..... \$ 807,625.54
 Unemployment Relief..... 778,046.59

1,585,672.13

1,197,090.92

\$3,384,689.36

ACTUAL COMPARED WITH ACTUAL OF PREVIOUS YEAR

ACTUAL GROSS ORDINARY REVENUE:

To March 31, 1939.. \$ 97,235,891.49
 To March 31, 1940.. 98,924,851.33

INCREASE..... \$1,688,959.84

ACTUAL SURPLUS ON ORDINARY ACCOUNT:

As at March 31, 1939..... \$ 322,495.42

ACTUAL GROSS ORDINARY EXPENDITURE:

To March 31, 1939.. \$ 96,913,396.07
 To March 31, 1940.. 102,158,947.52

INCREASE..... 5,245,551.45

\$3,556,591.61

ACTUAL DEFICIT ON ORDINARY ACCOUNT:

As at March 31, 1940..... 3,234,096.19

\$3,556,591.61

STATEMENT No. 2B

COMPARATIVE SUMMARY ANALYSIS

GROSS ORDINARY REVENUE

Cumulative Period to March 31st—Fiscal Year 1940

DEPARTMENT	BUDGET FORECAST GROSS REVENUE		ACTUAL GROSS REVENUE		Increase or Decrease
	Detail	Total	Detail	Total	
AGRICULTURE.....		\$ 339,035.00		\$ 363,287.61	\$ 24,252.61
ATTORNEY-GENERAL.....		1,032,234.60		1,183,325.85	151,091.25
EDUCATION.....		140,000.00		136,702.30	3,297.70
GAME AND FISHERIES.....		880,000.00		1,015,350.82	135,350.82
HEALTH:					
Main Office and Branches.....	\$ 59,138.00		71,513.73		
Hospitals Branch.....	1,509,700.00	1,568,838.00	1,451,752.01	1,523,265.74	45,572.26
HIGHWAYS:					
Main Office and Branches.....	10,000.00		15,266.72		
Gasoline Tax Branch.....	25,000,000.00		25,111,338.15		
Miscellaneous Permits Branch.....	90,000.00		98,200.11		
Motor Vehicles Branch.....	9,200,000.00	34,300,000.00	8,682,104.24	33,906,909.22	393,090.78
INSURANCE.....		230,000.00		230,282.97	282.97
LABOUR.....		140,525.00		135,919.67	4,605.33
LANDS AND FORESTS:					
Lands Branch.....	650,000.00		689,732.82		
Forests Branch.....	2,476,500.00	3,126,500.00	2,924,496.27	3,614,229.09	487,729.09
LEGISLATION.....		14,500.00		16,791.27	2,291.27
MINES.....		2,600,000.00		2,215,986.60	384,013.40
MUNICIPAL AFFAIRS:					
Main Office.....	6,250.00		9,126.50		
Municipal Board.....	4,550.00	10,800.00	22,322.94	31,449.44	20,649.44
PRIME MINISTER:					
King's Printer—Ontario Gazette.....		20,000.00		17,529.98	2,470.02
PROVINCIAL SECRETARY:					
Main Office and Registrar-General's Branch.....	368,000.00		355,553.00		
Reformatories and Prisons Branch.....	914,000.00	1,282,000.00	987,462.24	1,343,015.24	61,015.24
PROVINCIAL TREASURER:					
Main Office—Subsidy.....	2,941,424.00		2,941,424.28		
Interest.....	73,000.00		72,838.36		
Miscellaneous.....			6,404.08		
Liquor Control Board.....	10,750,000.00		9,950,000.00		
Controller of Revenue Branch—					
Succession Duty.....	17,000,000.00		11,500,282.39		
Corporation Tax.....	10,000,000.00		10,311,753.29		
Race Tracks Tax.....	(incl. in above)		611,654.86		
Income Tax.....	6,000,000.00		6,510,213.71		
Security Transfer Tax.....	700,000.00		456,580.78		
Land Transfer Tax.....	250,000.00		224,697.90		
Law Stamps.....	400,000.00		406,311.00		
Miscellaneous.....			5.60		
Motion Picture Censorship and Theatre Inspection Branch.....	185,000.00		203,627.87		
Savings Office.....	279,806.77	48,579,230.77	278,972.25	43,474,766.37	5,104,464.40
PUBLIC WELFARE.....				29.25	29.25
PUBLIC WORKS.....		47,255.00		187,965.21	140,710.21
MISCELLANEOUS.....		100,000.00			100,000.00
PROVINCIAL TREASURER:					
Public Debt—Interest, etc.....		9,095,992.24		9,524,315.02	428,322.78
STATIONERY ACCOUNT:					
Excess Distribution over Purchases.....				3,729.68	3,729.68
		\$103,506,910.61		\$98,924,851.33	\$1,455,454.61
					6,037,513.89

NET DECREASE -Actual under Forecast..... \$4,582,059.28

SUMMARY

Budget Forecast:	
Gross Ordinary Revenue.....	\$103,506,910.61
Gross Ordinary Expenditure.....	103,356,038.44
SURPLUS.....	\$ 150,872.17
Actual:	
Gross Ordinary Revenue.....	\$ 98,924,851.33
Gross Ordinary Expenditure.....	102,158,947.52
DEFICIT.....	\$3,234,096.19
ACTUAL DEFICIT INCREASE.....	\$3,384,968.36

STATEMENT No. 2C

COMPARATIVE SUMMARY ANALYSIS

GROSS ORDINARY EXPENDITURES

Cumulative Period to March 31st—Fiscal Year 1940

DEPARTMENT	BUDGET FORECAST GROSS EXPENDITURE		ACTUAL GROSS EXPENDITURE		Increase or
	Detail	Total	Detail	Total	Decrease
AGRICULTURE.....		\$ 2,284,456.25		\$ 2,121,697.54	\$ 162,758.71
ATTORNEY-GENERAL.....		2,706,577.10		3,450,641.82	744,064.72
EDUCATION.....		12,923,986.00		12,837,444.08	86,541.92
GAME AND FISHERIES.....		646,250.00		558,103.12	88,146.89
HEALTH:					
Main Office and Branches.....	\$1,187,920.00		\$1,151,272.87		
Hospitals Branch.....	10,202,030.00	11,389,950.00	9,963,684.17	11,114,957.04	274,992.96
HIGHWAYS:					
Main Office.....	582,300.00		466,445.71		
Division Offices.....	5,062,200.00		5,242,198.81		
Municipal Roads Branch.....	3,922,500.00		3,211,275.15		
Gasoline Tax Branch.....	75,000.00		46,011.25		
Miscellaneous Permits Branch.....	35,500.00		27,978.60		
Equipment Branch.....	600,000.00		641,992.66		
Motor Vehicle Branch.....	405,000.00	10,682,500.00	308,393.94	9,944,296.12	738,203.88
INSURANCE.....		67,100.00		58,389.93	8,710.07
LABOUR:					
Main Office and Branches.....	574,816.55		687,468.91		
Workmen's Compensation Board.....	75,000.00	649,816.55	40,218.74	727,687.65	77,871.10
LANDS AND FORESTS:					
Lands Branch.....	235,175.00		210,871.89		
Forests Branch.....	2,081,645.00	2,316,820.00	1,929,595.82	2,140,467.71	176,352.29
LEGISLATION.....		273,575.00		285,479.91	11,904.91
LIEUTENANT-GOVERNOR.....		10,000.00		9,583.33	416.67
MINES.....		433,550.00		376,355.86	57,194.14
MUNICIPAL AFFAIRS:					
Main Office and Municipal Board.....	127,850.00		105,802.64		
Subsidy to Municipalities.....	4,450,000.00		4,448,630.00		
Grant to City of Toronto Airport.....	100,000.00	4,677,850.00	100,000.00	4,654,432.64	23,417.36
PRIME MINISTER.....		173,415.00		178,788.62	5,373.62
PROVINCIAL AUDITOR.....		119,500.00		114,047.31	5,452.69
PROVINCIAL SECRETARY:					
Main Office and Registrar-General's Branch.....	121,480.00		117,988.91		
Reformatories and Prisons Branch.....	1,923,525.00	2,045,005.00	2,215,813.82	2,333,802.73	288,797.73
PROVINCIAL TREASURER:					
Main Office.....	547,840.00		645,612.46		
Budget Committee Office.....	10,735.00		10,741.91		
Controller of Revenue Branch.....	472,860.00		433,766.54		
Motion Picture Censorship and Theatre Inspection Branch.....	38,675.00		40,541.70		
Post Office.....	149,315.00		143,069.26		
Savings Office.....	279,806.77	1,499,231.77	278,972.25	1,552,704.12	53,472.35
PUBLIC WELFARE:					
Main Office and Branches.....	399,100.00		377,663.85		
Old Age Pensions Commission.....	3,552,500.00		3,422,821.95		
Mothers' Allowances Commission.....	5,307,700.00		5,145,960.84		
Unemployment Relief Branch.....	9,820,000.00	19,079,300.00	9,041,953.41	17,988,400.05	1,090,899.95
PUBLIC WORKS.....		811,300.00		856,936.96	45,636.96
MISCELLANEOUS.....		104,400.00		4,694.00	99,706.00
PROVINCIAL TREASURER:					
Public Debt—Interest, etc.....		30,461,455.77		30,850,036.98	388,581.21
		103,356,038.44		102,158,947.52	1,615,702.60
					2,812,793.52
NET DECREASE—Actual under Forecast.....					\$1,197,090.92

STATEMENT No. 3

Analysis of Budgeted Gross Revenue

Fiscal Year 1941-42

DOMINION GOVERNMENT:				
Annual Subsidy	\$ 2,941,424.00			
Interest—Common School Fund	73,000.00			
		\$ 3,014,424.00	2.617%	
TAXATION:				
Gasoline Tax	26,500,000.00			
Corporation Tax	23,000,000.00			
Race Tracks	525,000.00			
Succession Duty	12,000,000.00			
Income Tax	5,000,000.00			
Mining Tax	2,319,500.00			
Fire Protection Tax	400,300.00			
Fire Marshal's Tax	62,000.00			
Provincial Land Tax	135,000.00			
Security Transfer Tax	350,000.00			
		70,291,800.00	61.027%	
ROYALTIES, DUTIES AND DUES:				
Bonus and Timber	\$ 3,573,950.00			
Game and Fisheries	112,000.00			
Sand and Gravel	35,000.00			
		3,720,950.00	3.230%	
LICENSES AND PERMITS:				
Motor Vehicles	\$ 9,500,000.00			
Game and Fisheries	848,950.00			
Liquor Permits	500,000.00			
Garage Gas Pumps, etc.	90,000.00			
Marriage	121,000.00			
Theatres, etc.	75,800.00			
Miners	25,000.00			
Insurance Act	194,900.00			
Loan and Trust Corporations Act	10,335.00			
Other Licenses and Permits	12,933.00			
		11,378,918.00	9.879%	
FEES:				
Law Stamps	\$ 365,000.00			
Letters Patent and Supplementary Letters Patent	84,000.00			
Companies Act (Incorporation Returns and Registrar Fees)	26,000.00			
Legislation (Private Bills)	3,000.00			
Court and Legal (Police Magistrates, Local Masters, Local and Surrogate Registrars, Crown Attorneys, Sheriffs, Division Court Clerks and Bailiffs)	429,000.00			
Registry Office and Land Transfer	225,000.00			
Brokers and Salesmen, Real Estate Brokers and Salesmen	88,000.00			
Censorship	99,000.00			
Vital Statistics (Certificates, Searches, etc.)	78,000.00			
Mines and Mining (including Fees of Operators)	63,400.00			
Public Health (Laboratories and Nurses' Registration)	39,500.00			
Tuition Fees (Agriculture Schools and Colleges, Training Schools, Schools for Deaf and Dumb and Blind and Indian Schools)	100,100.00			
Apprenticeship Board, Boiler Inspection, Operating Engineers, and Composite Inspection Branch	67,000.00			
Other Fees	47,550.00			
		1,714,550.00	1.489%	
FINES AND PENALTIES:				
Police Magistrates and Crown Attorneys	\$ 160,000.00			
Game and Fisheries	18,750.00			
Other	675.00			
		179,425.00	.156%	
PROFITS FROM TRADING ACTIVITIES:				
Liquor Control Board (Profits, Fines, Licenses, etc.)		11,500,000.00	9.98%	
AGRICULTURE AND PUBLIC DOMAIN:				
Rentals—Crown Leases and Licenses of Occupation	\$ 625,000.00			
Ground Rentals	110,000.00			
Rentals—Parks and Beaches, etc.	26,300.00			
Rentals—Mining Leases and Licenses of Occupation	44,600.00			
Sales—Crown Lands	11,000.00			
		816,900.00	.709%	
REPAYMENTS—Highways—Counties, Cities and Separate Towns		10,000.00	.009%	
SALES OF MATERIAL:				
Produce, Live Stock, Equipment		931,059.00	.808%	
RENT, BOARD, MAINTENANCE OF PATIENTS, ETC.		1,677,594.00	1.457%	
MISCELLANEOUS		830,041.48	.721%	
INTEREST—Public Debt, etc.		9,114,113.89	7.913%	
GROSS REVENUE		\$115,179,775.37	100.000%	

STATEMENT No. 4

STATEMENT SHOWING SURPLUS OR DEFICIT

For the Period from July 1st, 1867 to March 31st, 1941

	Ordinary Revenue *	Ordinary Expenditure *	Surplus	Deficit
July 1st, 1867 to December 31st, 1867.....	\$ 182,899.63	\$ 56,669.97	\$ 126,229.66	
Fiscal Year ended December 31st, 1868.....	2,250,207.74	1,179,269.17	1,070,938.57	
" " " " " " 1869.....	2,625,179.29	1,445,751.73	1,179,427.56	
" " " " " " 1870.....	2,500,695.70	1,578,976.65	921,719.05	
" " " " " " 1871.....	2,333,179.62	1,816,784.11	516,395.51	
" " " " " " 1872.....	3,060,747.97	2,217,555.07	843,192.90	
" " " " " " 1873.....	2,961,515.31	2,940,803.45	20,711.86	
" " " " " " 1874.....	3,446,347.93	3,870,704.14		\$ 424,356.21
" " " " " " 1875.....	3,156,605.81	3,604,524.42		447,918.61
" " " " " " 1876.....	2,589,222.83	3,139,505.66		550,282.83
" " " " " " 1877.....	2,502,566.04	3,119,117.73		616,551.69
" " " " " " 1878.....	2,285,178.07	2,902,388.37		617,210.30
" " " " " " 1879.....	2,287,951.39	2,941,714.27		653,762.88
" " " " " " 1880.....	2,584,169.76	2,518,186.80	65,982.96	
" " " " " " 1881.....	2,788,746.78	2,579,802.28	208,944.50	
" " " " " " 1882.....	2,880,450.40	2,918,826.95		38,376.55
" " " " " " 1883.....	2,439,941.42	2,887,037.73		447,096.31
" " " " " " 1884.....	2,820,555.45	3,207,889.67		387,334.22
" " " " " " 1885.....	3,005,920.71	3,040,139.07		34,218.36
" " " " " " 1886.....	3,148,660.01	3,181,449.69		32,789.68
" " " " " " 1887.....	3,527,577.95	3,454,372.43	73,205.52	
" " " " " " 1888.....	3,603,262.14	3,545,234.85	58,027.29	
" " " " " " 1889.....	3,538,405.08	3,653,356.37		114,951.29
" " " " " " 1890.....	3,423,154.99	3,896,324.38		473,169.39
" " " " " " 1891.....	4,138,589.09	4,158,459.55		19,870.46
" " " " " " 1892.....	4,662,921.57	4,068,257.39	594,664.18	
" " " " " " 1893.....	4,091,914.01	3,907,145.32	184,768.69	
" " " " " " 1894.....	3,453,162.69	3,839,338.75		386,176.06
" " " " " " 1895.....	3,585,300.10	3,758,595.44		173,295.34
" " " " " " 1896.....	3,490,671.45	3,703,379.73		212,708.28
" " " " " " 1897.....	4,139,847.68	3,767,675.70	372,171.98	
" " " " " " 1898.....	3,647,353.09	3,803,081.38		155,728.29
" " " " " " 1899.....	4,096,494.96	3,710,420.82	386,074.14	
" " " " " " 1900.....	4,192,940.18	4,003,729.37	189,210.81	
" " " " " " 1901.....	4,466,043.92	4,038,834.49	427,209.43	
" " " " " " 1902.....	4,291,082.91	4,345,003.58		53,920.67
" " " " " " 1903.....	5,466,653.13	4,888,982.57	577,670.56	
" " " " " " 1904.....	6,128,358.57	5,267,453.02	860,905.55	
" " " " " " 1905.....	6,016,176.42	5,396,016.74	620,159.68	
" " " " " " 1906.....	7,149,478.39	6,720,179.07	429,299.32	
" " " " " " 1907.....	8,320,419.19	7,714,245.61	606,173.58	
" " " " " " 1908.....	8,602,902.96	8,557,064.60	45,838.36	
Ten months ended October 31st, 1909.....	7,477,920.94	7,545,040.47		67,119.53
Fiscal Year ended October 31st, 1910.....	8,891,004.68	8,887,520.09	3,484.59	
" " " " " " 1911.....	9,370,833.90	9,619,934.03		249,100.13
" " " " " " 1912.....	10,042,000.68	10,287,991.59		245,990.91
" " " " " " 1913.....	11,188,302.09	10,868,026.28	320,275.81	
" " " " " " 1914.....	11,121,382.07	11,819,310.65		697,928.58
" " " " " " 1915.....	12,975,732.19	12,704,362.16	271,370.03	
" " " " " " 1916.....	13,841,339.64	12,706,332.90	1,135,006.74	
" " " " " " 1917.....	18,269,597.23	16,518,222.64	1,751,374.59	
" " " " " " 1918.....	19,270,123.71	17,460,404.05	1,809,719.66	
" " " " " " 1919.....	19,904,772.04	21,464,574.88		1,559,802.84
" " " " " " 1920.....	25,078,094.62	25,880,842.45		802,747.83
" " " " " " 1921.....	29,261,477.39	28,579,687.98	681,789.41	
" " " " " " 1922.....	38,507,311.09	37,442,985.83	1,064,325.26	
" " " " " " 1923.....	26,166,213.39	41,361,439.92		15,195,226.53
" " " " " " 1924.....	30,569,015.92	39,037,780.43		8,468,764.51
" " " " " " 1925.....	35,852,404.28	40,959,769.27		5,107,364.99
" " " " " " 1926.....	40,984,958.63	41,797,098.94		812,140.31
" " " " " " 1927.....	46,607,638.88	46,248,415.49	359,223.39	
" " " " " " 1928.....	48,570,217.10	48,341,980.66	228,236.44	
" " " " " " 1929.....	54,012,679.53	51,369,785.85	2,642,893.68	
" " " " " " 1930.....	57,343,291.21	57,989,352.69		646,061.48
" " " " " " 1931.....	54,390,092.37	54,846,994.28		456,901.91
" " " " " " 1932.....	54,175,233.01	56,236,031.32		2,060,798.31
" " " " " " 1933.....	**51,373,051.98	50,896,626.37	476,425.61	
" " " " " " 1934.....	50,067,841.37	80,667,091.15		30,599,249.78
Five Months ended March 31st, 1935.....	21,048,944.06	31,489,616.34		10,440,672.28
Fiscal Year ended March 31st, 1936.....	65,726,984.57	79,069,690.31		13,342,705.74
" " " " " " 1937.....	80,488,439.95	71,174,501.41	9,313,938.54	
" " " " " " 1938.....	86,052,792.88	81,443,074.35	4,609,718.53	
" " " " " " 1939.....	86,843,270.67	86,520,775.25	322,495.42	
" " " " " " 1940.....	88,172,951.62	91,407,047.81		3,234,096.19
" " " " " " 1941.....	***114,056,264.56	101,455,900.00	12,600,364.56	

*NOTE—Revenue and Expenditure Figures for the years 1867 to 1907 inclusive comprise both Ordinary and Capital revenue and expenditure.

Revenue and Expenditure from 1923 to 1940 inclusive shown as Net after applying certain Revenues as a reduction of Expenditure.

**Subject to certain adjustments, for particulars of which see Page 11 Budget Address delivered April 2nd, 1935.

***Gross Interim figures only.

STATEMENT No. 5

		PROVINCE				
		Statement of Gross				
		1914-				
		Gross Debt		Realizable and Income		
		Total	Yearly Increase	Hydro	T. & N.O.	Loans, Cash and Accts. Receivable
		\$	\$	\$	\$	\$
End of Whitney Regime	1914.....	41,716,000	.....	10,110,000	20,246,000	5,066,000
Hearst Regime	1915.....	50,275,000	8,559,000	12,316,000	20,483,000	8,007,000
" "	1916.....	59,336,000	9,061,000	21,939,000	21,184,000	7,684,000
" "	1917.....	61,825,000	2,489,000	27,489,000	21,594,000	5,805,000
" "	1918.....	75,309,000	13,484,000	36,244,000	21,823,000	9,477,000
" "	1919.....	97,032,000	21,723,000	47,700,000	22,335,000	13,882,000
Drury Regime	1920.....	127,262,000	30,230,000	65,717,000	22,681,000	16,009,000
" "	1921.....	202,446,000	75,184,000	102,946,000	23,599,000	31,292,000
" "	1922.....	233,189,000	30,743,000	116,786,000	25,654,000	30,704,000
" "	1923.....	291,025,000	57,836,000	124,360,000	28,075,000	37,612,000
Ferguson Regime	1924.....	329,508,000	38,483,000	135,045,000	30,208,000	45,262,000
" "	1925.....	332,391,000	2,883,000	141,717,000	30,208,000	27,885,000
" "	1926.....	349,116,000	16,725,000	142,473,000	30,208,000	31,899,000
" "	1927.....	368,920,000	19,804,000	147,120,000	30,208,000	33,813,000
" "	1928.....	394,114,000	25,194,000	152,936,000	30,208,000	37,176,000
" "	1929.....	426,914,000	32,800,000	164,522,000	30,208,000	44,007,000
" "	1930.....	473,372,000	46,458,000	176,799,000	30,208,000	53,587,000
Henry Regime	1931.....	520,667,000	47,295,000	188,377,000	30,208,000	58,055,000
" "	1932.....	574,419,000	53,752,000	189,635,000	30,208,000	76,902,000
" "	1933.....	594,128,000	19,709,000	187,965,000	30,208,000	76,514,000
" "	1934.....	655,761,000	61,633,000	187,829,000	37,208,000	72,247,000
Hepburn Regime	1935*.....	674,386,000	18,625,000	187,878,000	37,208,000	70,885,000
" "	1936.....	689,559,000	15,173,000	172,735,000	36 408,000	74,377,000
" "	1937.....	656,460,000	33,099,000	151,573,000	30,208,000	69,243,000
" "	1938.....	678,075,000	21,615,000	149,621,000	30,208,000	59,952,000
" "	1939.....	712,767,000	34,692,000	147,841,000	30,208,000	56,450,000
" "	1940.....	737,078,000	24,311,000	145,319,000	30,208,000	54,348,000

*Five months ended March 31st.

**Population as per Dominion Bureau of Statistics' Estimates as shown in Canada Year Book 1936, p. 141.

a " " " " " " " " " " " " 1940, p. 103.

NOTE:—Actual figures to nearest \$1,000.

STATEMENT No. 5

OF ONTARIO

and Net Debt

1940

Producing Assets

Net Debt

Total \$	Yearly Increase \$	Total \$	Yearly Increase \$	Year	** Population	Per Capita Net Debt
35,422,000	.....	6,294,000	.....	1914 Est.	2,705,000	2.33
40,806,000	5,384,000	9,469,000	3,175,000	1915 "	2,724,000	3.48
50,807,000	10,001,000	8,529,000	940,000	1916 "	2,713,000	3.14
54,888,000	4,081,000	6,937,000	1,592,000	1917 "	2,724,000	2.55
67,544,000	12,656,000	7,765,000	828,000	1918 "	2,744,000	2.83
83,917,000	16,373,000	13,115,000	5,350,000	1919 "	2,789,000	4.70
104,407,000	20,490,000	22,855,000	9,740,000	1920 "	2,863,000	7.98
157,837,000	53,430,000	44,609,000	21,754,000	1921 Cen.	2,934,000	15.20
173,144,000	15,307,000	60,045,000	15,436,000	1922 Est.	2,980,000	20.15
190,047,000	16,903,000	100,978,000	40,933,000	1923 "	3,013,000	33.51
210,515,000	20,468,000	118,993,000	18,015,000	1924 "	3,059,000	38.90
199,810,000	10,705,000	132,581,000	13,588,000	1925 "	3,111,000	42.62
204,580,000	4,770,000	144,536,000	11,955,000	1926 "	3,164,000	45.68
211,141,000	6,561,000	157,779,000	13,243,000	1927 "	3,219,000	49.01
220,320,000	9,179,000	173,794,000	16,015,000	1928 "	3,278,000	53.02
238,737,000	18,417,000	188,177,000	14,383,000	1929 "	3,334,000	56.44
260,594,000	21,857,000	212,778,000	24,601,000	1930 "	3,386,000	62.84
276,640,000	16,046,000	244,027,000	31,249,000	1931 Cen.	3,432,000	71.10
296,745,000	20,105,000	277,674,000	33,647,000	1932 Est.	3,459,000	80.28
294,687,000	2,058,000	299,441,000	21,767,000	1933 "	3,524,000	84.97
297,284,000	2,597,000	358,477,000	59,036,000	1934 "	3,566,000	100.53
295,971,000	1,313,000	378,415,000	19,938,000	1934 "	3,566,000	106.12
283,520,000	12,451,000	406,039,000	27,624,000	1935 "	3,596,000	112.91
251,024,000	32,496,000	405,436,000	603,000	a 1936 "	3,690,000	109.87
239,781,000	11,243,000	438,294,000	32,858,000	a 1937 "	3,711,000	118.11
234,499,000	5,282,000	478,268,000	39,974,000	a 1938 "	3,731,000	128.19
229,875,000	4,624,000	507,203,000	28,935,000	a 1939 "	3,752,000	135.18

STATEMENT No. 6

STATEMENT OF GROSS
1914-
INCREASES

		Gross Debt	
		Total	Hydro
End of Whitney Regime	1914.....	\$ 41,716,000	\$ 10,110,000
End of Hearst Regime	1919.....	97,032,000	47,700,000
End of Drury Regime	1923.....	291,025,000	124,360,000
End of Ferguson Regime	1930.....	473,372,000	176,799,000
End of Henry Regime	1934.....	655,761,000	187,829,000
HEARST—5 YEARS			
End of Hearst Regime	1919.....	97,032,000	47,700,000
End of Whitney Regime	1914.....	41,716,000	10,110,000
Increase over 5 years.....		\$ 55,316,000	\$ 37,590,000
Average Annual Increase.....		<u>\$ 11,063,000</u>	<u>\$ 7,518,000</u>
DRURY—4 YEARS			
End of Drury Regime	1923.....	\$291,025,000	\$124,360,000
End of Hearst Regime	1919.....	97,032,000	47,700,000
Increase over 4 years.....		<u>\$193,993,000</u>	<u>\$ 76,660,000</u>
Average Annual Increase.....		<u>\$ 48,498,000</u>	<u>\$ 19,165,000</u>
FERGUSON—7 YEARS			
End of Ferguson Regime	1930.....	\$473,372,000	\$176,799,000
End of Drury Regime	1923.....	291,025,000	124,360,000
Increase over 7 years.....		<u>\$182,347,000</u>	<u>\$ 52,439,000</u>
Average Annual Increase.....		<u>\$ 26,049,000</u>	<u>\$ 7,491,000</u>
HENRY—4 YEARS			
End of Henry Regime	1934.....	\$655,761,000	\$187,829,000
End of Ferguson Regime	1930.....	473,372,000	176,799,000
Increase over 4 years.....		<u>\$182,389,000</u>	<u>\$ 11,030,000</u>
Average Annual Increase.....		<u>\$ 45,597,000</u>	<u>\$ 2,757,000</u>
HEPBURN—			
End of March	*1935.....	\$674,386,000	\$187,878,000
End of Henry Regime	1934.....	655,761,000	187,829,000
Increase over 5 months.....		<u>\$ 18,625,000</u>	<u>\$ 49,000</u>
End of March, 1936.....		\$689,559,000	\$172,735,000
End of March, 1935.....		674,386,000	187,878,000
Increase for year 1936.....		<u>\$ 15,173,000</u>	<u>\$ 15,143,000</u>
End of March, 1937.....		\$656,460,000	\$151,573,000
End of March, 1936.....		689,559,000	172,735,000
Decrease for year 1937.....		<u>\$ 33,099,000</u>	<u>\$ 21,162,000</u>
End of March, 1938.....		\$678,075,000	\$149,621,000
End of March, 1937.....		656,460,000	151,573,000
Increase for year 1938.....		<u>\$ 21,615,000</u>	<u>\$ 1,952,000</u>
End of March, 1939.....		\$712,767,000	\$147,841,000
End of March, 1938.....		678,075,000	149,621,000
Increase for year 1939.....		<u>\$ 34,692,000</u>	<u>\$ 1,780,000</u>
End of March, 1940.....		\$737,078,000	\$145,319,000
End of March, 1939.....		712,767,000	147,841,000
Increase for year 1940.....		<u>\$ 24,311,000</u>	<u>\$ 2,522,000</u>

*Five months ended March 31st.

NOTE:—Actual figures to nearest \$1,000.

STATEMENT No. 6

AND NET DEBT

1940

BY REGIMES

Realizable and Income Producing Assets

Net Debt

	Loans, Cash and Accts. Receivable	Total	Total
T. & N.O. Ry.			
\$ 20,246,000	\$ 5,066,000	\$ 35,422,000	\$ 6,294,000
22,335,000	13,882,000	83,917,000	13,115,000
28,075,000	37,612,000	190,047,000	100,978,000
30,208,000	53,587,000	260,594,000	212,778,000
37,208,000	72,247,000	297,284,000	358,477,000
22,335,000	13,882,000	83,917,000	13,115,000
20,246,000	5,066,000	35,422,000	6,294,000
\$ 2,089,000	\$ 8,816,000	\$ 48,495,000	\$ 6,821,000
\$ 418,000	\$ 1,763,000	\$ 9,699,000	\$ 1,364,000
\$ 28,075,000	\$ 37,612,000	\$190,047,000	\$100,978,000
22,335,000	13,882,000	83,917,000	13,115,000
\$ 5,740,000	\$ 23,730,000	\$106,130,000	\$ 87,863,000
\$ 1,435,000	\$ 5,932,000	\$ 26,532,000	\$ 21,966,000
\$ 30,208,000	\$ 53,587,000	\$260,594,000	\$212,778,000
28,075,000	37,612,000	190,047,000	100,978,000
\$ 2,133,000	\$ 15,975,000	\$ 70,547,000	\$111,800,000
\$ 305,000	\$ 2,282,000	\$ 10,078,000	\$ 15,971,000
\$ 37,208,000	\$ 72,247,000	\$297,284,000	\$358,477,000
30,208,000	53,587,000	260,594,000	212,778,000
\$ 7,000,000	\$ 18,660,000	\$ 36,690,000	\$145,699,000
\$ 1,750,000	\$ 4,665,000	\$ 9,172,000	\$ 36,425,000
\$ 37,208,000	\$ 70,885,000	\$295,971,000	\$378,415,000
37,208,000	72,247,000	297,284,000	358,477,000
.....	\$ 1,362,000	\$ 1,313,000	\$ 19,938,000
\$ 36,408,000	\$ 74,377,000	\$283,520,000	\$406,039,000
37,208,000	70,885,000	295,971,000	378,415,000
\$ 800,000	\$ 3,492,000	\$ 12,451,000	\$ 27,624,000
\$ 30,208,000	\$ 69,243,000	\$251,024,000	\$405,436,000
36,408,000	74,377,000	283,520,000	406,039,000
\$ 6,200,000	\$ 5,134,000	\$ 32,496,000	\$ 603,000
\$ 30,208,000	\$ 59,952,000	\$239,781,000	\$438,294,000
30,208,000	69,243,000	251,024,000	405,436,000
.....	\$ 9,291,000	\$ 11,243,000	\$ 32,858,000
\$ 30,208,000	\$ 56,450,000	\$234,499,000	\$478,268,000
30,208,000	59,952,000	239,781,000	438,294,000
.....	\$ 3,502,000	\$ 5,282,000	\$ 39,974,000
\$ 30,208,000	\$ 54,348,000	\$229,875,000	\$507,203,000
30,208,000	56,450,000	234,499,000	478,268,000
.....	\$2,102,000	4,624,000	28,935,000

SUB-INDEX No. 2

FINANCIAL STATEMENTS

(As per Public Accounts)

AS AT MARCH 31, 1940

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STATEMENT No. 1

PUBLIC DEBT

Proceeds of Loans for Fiscal Year 1940

STOCK AND
DEBENTURES:

Series

"RH"

R.S.O. 1937, Cap. 22—2% Debentures, due October 15, 1942, payable Canada—		
Par Value.....	\$7,500,000 00	
Less Discount.....	75,000 00	
		\$7,425,000 00
R.S.O. 1937, Cap. 22—3% Debentures, due April 15, 1946-48, payable Canada—		
Par Value.....	\$7,500,000 00	
Less Discount.....	187,500 00	
		7,312,500 00

\$14,737,500 00

"RJ"

R.S.O. 1937, Cap. 22—3% Debentures— due June 1, 1952-54, payable Canada—		
Par Value.....	\$10,000,000 00	
Less Discount.....	145,000 00	

9,855,000 00

"RK"

R.S.O. 1937, Cap. 22—1½% Debentures, due June 1, 1940-44, payable Canada—		
Par Value.....	\$6,000,000 00	
Less Discount.....	69,000 00	

5,931,000 00

"RL"

R.S.O. 1937, Cap. 22—3¼% Debentures, due November 1, 1945-47, payable Canada—		
Par Value.....	\$8,614,000 00	
Less Discount.....	146,438 00	

8,467,562 00

"TI"

R.S.O. 1937, Cap. 366, Sec. 3 (3)—4¾% Stock, due November 1, 1942, payable Toronto—		
Par Value.....		1,400,000 00

"BK"

R.S.O. 1937, Cap. 22— 3 Geo. VI (Ontario), Cap. 32—2½% Debentures, due March 1, 1944, payable Canada—		
Par Value.....	\$3,000,000 00	
Less Discount.....	18,000 00	

2,982,000 00

"BL"

R.S.O. 1937, Cap. 22— 3 Geo. VI (Ontario), Cap. 32—3½% Debentures, due December 1, 1949-51, payable Canada—		
Par Value.....	\$9,000,000 00	
Less Discount.....	135,000 00	

8,865,000 00

\$52,238,062 00

TREASURY BILLS:

Series

"RT-V"

R.S.O. 1937, Cap. 22—1%, 3 months, due August 30, 1939.....	1,442,000 00
--	--------------

"RT-W"

R.S.O. 1937, Cap. 22—(Renewal) 1¼%, 1 year, due September 13, 1940.....	2,000,000 00
--	--------------

"EH"

R.S.O. 1937, Cap. 22—(Renewal) Disc. 1¼%, 1 year, due June 30, 1940—		
Par Value.....	\$2,000,000 00	
Less Discount.....	24,691 36	

1,975,308 64

"EN"

R.S.O. 1937, Cap. 22—(Renewal) Disc. 1¼%, 1 year, due September 2, 1940—		
Par Value.....	\$1,000,000 00	
Less Discount.....	12,345 68	

987,654 32

"EP"

R.S.O. 1937, Cap. 22—(Renewal), 1½%, 1 year due September 1, 1940.....	\$2,000,000 00
---	----------------

"EQ"

R.S.O. 1937, Cap. 22, 1½%, 1 year, due September 1, 1940.....	2,000,000 00
--	--------------

"ER"

R.S.O. 1937, Cap. 22, 1½%, 1 year, due September 1, 1940.....	1,000,000 00
--	--------------

"ES"

R.S.O. 1937, Cap. 22, 1¾%, 1 year, due September 1, 1940.....	5,000,000 00
--	--------------

"ET"

R.S.O. 1937, Cap. 22, 1½%, 1 year, due September 15, 1940.....	2,000,000 00
---	--------------

18,404,962 96

\$70,643,024 96

NOTE—All Treasury Bills issued are payable only at Toronto.

STATEMENT No. 2

PUBLIC DEBT

Payments for the Year ended March 31st, 1940

STOCKS AND DEBENTURES:

MATURED—

Series					
"A"	Straight term maturity due	June 1st, 1939	.....	\$ 1,133,000.00	
"AH"	" " " " "	June 1st, 1939	.....	309,650.00	
"AJ"	Instalment maturity	December 1st, 1939	..	700,000.00	
"AK"	" " " " "	January 15th, 1940	..	800,000.00	
"AL"	" " " " "	November 1st, 1939	..	800,000.00	
"AP"	" " " " "	May 15th, 1939	.....	483,000.00	
"AR"	" " " " "	May 15th, 1939	.....	424,000.00	
"AS"	" " " " "	January 15th, 1940	..	369,000.00	
"BB"	" " " " "	June 1st, 1939	.....	416,000.00	
"BD"	Straight term maturity	January 16th, 1940	..	5,000,000.00	
"BG"	" " " " "	August 30th, 1939	...	4,499,000.00	
		May 1st, 1939	.....	15,000,000.00	
					\$29,933,650.00

Purchased under The Succession Duty Act—

Series		
Stock	.....	\$ 92,223.33
"C & D"	.....	500.00

92,723.23

30,026,373.33

TREASURY BILLS:

MATURED—

Series					
"RTM"	1.50%	due	December 1st, 1939	.....	\$ 6,000,000.00
"RTP"	1.25%	"	September 2nd, 1939	.....	2,000,000.00
"RTR"	1.25%	"	September 2nd, 1939	.....	1,000,000.00
"RTV"	1.00%	"	August 30th, 1939	.....	1,442,000.00
"EH"	1.00%	"	June 30th, 1939	.....	2,000,000.00
"EK"	1.25%	"	September 13th, 1939	.....	2,000,000.00

14,442,000.00

PROVINCE OF ONTARIO SAVINGS OFFICE—

Withdrawals from the Provincial Treasurer..... 2,934,019.07

\$47,402,392.40

STATEMENT No. 3

PROVINCIAL DEBT

Statement Showing Investment Thereof as at March 31, 1940

FUNDED DEBT:

Stock and Debentures Outstanding.....	\$630,423,001	22
Railway Aid Certificates.....	267,209	95
	<u>\$630,690,211</u>	17
Deduct—Sinking Fund Investments.....	11,945,756	99
Total Funded Debt.....	<u>\$618,744,454</u>	48

UNFUNDED DEBT—

Treasury Bills.....	\$ 64,000,000	00
Savings Office Deposits.....	37,101,815	57
Bank Overdraft.....	2,777,682	39
Special Funds, etc.....	5,067,071	89
	<u>108,946,569</u>	85
ACCOUNTS PAYABLE AND ACCRUED INTEREST.....	9,386,971	70

Gross Debt.....\$737,077,996 03

INVESTMENT THEREOF—

Revenue Producing and Realizable Assets—		
Hydro-Electric Power Commission Advances.....	\$145,318,733	21
Temiskaming and Northern Ontario Railway—		
Advances.....	30,207,934	92
Farm, Housing, Municipal and Settlers' Loans.....	50,669,994	91
Accounts Receivable.....	\$ 3,107,606	09
King's Highway and Trans-Canada		
Construction—		
Due by Cities, Counties and		
Dominion Government.....	570,581	30
	<u>3,678,187</u>	39
	<u>\$229,874,850</u>	43

Revenue Producing but not Realizable Assets—

Roads and Highways.....	\$316,940,607	01
Less—Due by Cities, Counties and		
Dominion Government.....	570,581	30
	<u>\$316,370,025</u>	71
Niagara Parks Commission (Surplus of Assets).....	1,176,611	72
Common School Fund—Trust Fund, (Ontario and Quebec)	1,460,067	99
	<u>319,006,705</u>	42

Total Revenue Producing Assets.....\$548,881,555 85

Non-Revenue Producing Assets—

Public Buildings, Public Works, etc.....	\$111,263,914	21
Plant, Stores and Equipment.....	2,591,582	31
Deferred Assets.....	2,325,992	36
	<u>116,181,438</u>	88

Other Assets—

Capital Value of Annual Subsidy.....	\$ 58,828,485	60
Unemployment (Direct) Relief (Less amount written off)	14,045,036	40
Discount on Debentures, etc. (Less amount written off)	8,310,676	42
	<u>81,184,198</u>	42

Total Assets.....\$746,247,243 15

SURPLUS AND RESERVES—represented in above Assets.....\$ 9,169,247 12

STATEMENT No. 4

GROSS PROVINCIAL DEBT

Statement Showing Increase

For the Fiscal Year, April 1, 1939, to March 31, 1940

	1937		1938		1939		1940		Increase 1940 over 1939	
	\$	c.	\$	c.	\$	c.	\$	c.	\$	c.
Funded Debt . . .	567,973,130	86	575,672,701	72	596,890,132	18	618,744,454	48	21,854,322	30
Unfunded Debt . .	80,105,266	96	93,465,517	54	106,964,279	57	108,946,569	85	1,982,290	28
Income Liabilities	8,381,950	55	8,936,296	68	8,912,971	70	9,386,971	70	474,000	00
	<u>656,460,348</u>	<u>37</u>	<u>678,074,515</u>	<u>94</u>	<u>712,767,383</u>	<u>45</u>	<u>737,077,996</u>	<u>03</u>	<u>24,310,612</u>	<u>58</u>

INCREASE IN GROSS DEBT ACCOUNTED FOR THUS—

Capital Disbursements—

Disbursements on Highways, Public Buildings and

Works, etc. \$ 27,039,658 87

Less—Capital Receipts. 211,756 43

\$ 26,827,902 44

Deficit on Ordinary Account (as per Statement 1) 3,234,096 19

Discount on Debentures, etc., Issued during year 812,975 04

Increase in Income Liabilities 474,000 00

Payments re Guaranteed Debentures (net) 353,867 13

Adjustment—Accrued Interest on Treasury Bills 16,904 18

\$ 31,719,744 98

Deduct:

Provision Charged to Ordinary Expenditures—

Retirement of Railway Aid Certi-

ficates \$ 85,970 22

Sinking Fund Instalments 1,038,655 27

\$ 1,124,625 49

Discount on Debentures, etc., written off 924,776 56

Earnings on Sinking Fund Investments (net) 8,678 88

Net Repayments on Loans Receivable—

Hydro-Electric Power Commission

of Ontario \$ 2,521,810 95

Agricultural Development Board 2,360,000 00

Housing Loans 258,168 51

Tile Drainage Loans 91,848 31

Mothers' Allowances, Old Age Pen-

sions and Pensions for the Blind 6,118 49

Miscellaneous 58,333 44

5,179,612 82

Repayment from H.E.P.C. re Northern Ontario Pro-

perties 166,003 10

Increase in Reserves (net) 331 43

Decrease in Sundry Assets of Savings Offices 5,104 12

7,409,132 40

NET INCREASE \$ 24,310,612 58

STATEMENT No. 5

NET PROVINCIAL DEBT

Statement Showing Increase

For the Fiscal Year, April 1, 1939, to March 31, 1940

	1937		1938		1939		1940		Increase 1940 over 1939
	\$	c. \$		c. \$		c. \$		c. \$	c.
Gross Debt	656,460,348	37	678,074,515	94	712,767,383	45	737,077,996	03	24,310,612 58
Revenue Producing and Realizable Assets . . .	251,024,308	87	239,780,832	24	234,498,756	85	229,874,850	43	4,623,906 42
NET DEBT . . .	405,436,039	50	438,293,683	70	478,268,626	60	507,203,145	60	28,934,519 00

INCREASE IN NET DEBT ACCOUNTED FOR THUS—

Capital Disbursements—

Disbursements on Highways, Public Buildings and

Works, etc. \$ 27,039,658 87

Less—Capital Receipts 211,756 43

\$ 26,827,902 44

Deficit on Ordinary Account (as per Statement 1) 3,234,096 19

Discount on Debentures, etc., Issued during year 812,975 04

Increase in Income Liabilities 474,000 00

Adjustment—Accrued Interest on Treasury Bills 16,904 18

Increase in Deferred Assets 158,397 50

Decrease in Receivables—due from Municipalities and

Dominion Government—re Highways 375,455 39

Increase in Common School Fund 67 14

Miscellaneous Decreases 30,568 76

\$ 31,930,366 64

Deduct:

Provision Charged to Ordinary Expenditure—

Retirement of Railway Aid Certificates \$ 85,970 22

Sinking Fund Instalments 1,038,655 27

\$ 1,124,625 49

Discount on Debentures, etc.—Written off 924,776 56

Earnings on Sinking Fund Investments (net) 8,678 88

Increase in Income Accounts Receivable 857,861 15

Decrease in Savings Offices—Furniture and Fixtures and

Alterations to Premises 5,400 28

Increase in Accrued Interest on Agricultural Development Board Debentures 74,505 28

2,995,847 64

NET INCREASE \$28,934,519 00

STATEMENT No. 6

STATEMENT SHOWING SOURCES OF ORDINARY REVENUE

For the Fiscal Year ended March 31, 1940

DOMINION GOVERNMENT—		
Annual Subsidy	\$2,941,424	28
Interest—Common School Fund	72,838	36
		\$ 3,014,262 64
REVENUE DERIVED FROM INDIVIDUALS AND CORPORATIONS RECEIVING THE BENEFIT OF PROVINCIAL SERVICES, SPECIAL PRIVILEGES OR THE USE OF NATURAL RESOURCES AND PRO- PERTIES, AND PROFITS FROM TRADING, ETC.:		
Taxation	\$57,125,155	55
Gasoline, Mines, Lands, Corporations, Income, Race Tracks (betting), Stock Transfers, Succession Duties, Fire Protection, etc.		
Royalties, Duties and Dues.....	2,458,498	24
Bonus and Timber, Sand and Gravel, Game and Fish.		
Licenses and Permits	10,372,557	59
Motor Vehicles, Liquor Permits, Hunting and Fishing, Insurance, Loan and Trust Companies, Mines, Theatres, etc.		
Fees	2,221,558	07
Local Registrars, Police Magistrates, Crown Attorneys, etc., Mine Recording, Companies and Brokers' Regis- tration, etc., Land Transfers, Motor Vehicle Transfers, Tuition, Examinations, etc.		
Fines and Penalties.....	218,852	75
Profits from Trading Activities	9,475,000	00
Liquor Control Board—Profits, Fines, Sale of Confiscated Liquor, etc.		
Agriculture and Public Domain.....	679,235	87
Sale of Material.....	267,236	65
Produce, Live Stock, Equipment, etc.		
Rent, Board, Maintenance of Patients, Perquisites, etc.	1,743,296	22
Miscellaneous.....	597,298	04
ONTARIO GAZETTE, sale of Government Publications, and Casual Revenue.		
		85,158,688 98
		<u>\$88,172,951 62</u>

